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## Coi Rubber adding on to plant in China

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Coi Rubber

Coi Rubber is based in the U.S., but its products are manufactured at a plant in China. An expansion project at the facility will boost automation and other technology.

LOS ANGELES—Coi Rubber Products Inc. is expanding its operation again, this time with a 100,000-sq.-ft. addition to its manufacturing facility in Anhui Wuhu, China.

The newest expansion is the second phase of a project Coi Rubber launched in 2015, shortly after completing construction of the 250,000-sq.-ft. factory, called Wuhu Coi Rubber Products Ltd. The company also closed an older plant located about 30 minutes away from the new site.

Coi Rubber, which was formed in 2013, completed phase one of the project in 2018. That called for the continuous addition of new, more modern machinery and an expansion of the company's work force, which started out with 150 workers and has grown to more than 450 at the facility in China, according to David C. Chao, co-founder and president of the business.

He said phase two of the expansion project involves construction of the 100,000-sq.-ft., three-story addition to the Anhui Wuhu factory with a focus on increasing the company's material compounding, tooling, research and development, and laboratory operations.

Construction of the addition began in November, and Chao anticipates it will be completed in the second quarter of 2021.

In addition, he said, new machinery with mixers—more than quadrupling the firm's material compounding capacity—will be added. Once that's done, "we will have the opportunity to supply materials to local China molders, especially highly engineered compounds such as silicones, fluorosilicones ... and other exotic materials."

### **More automation, technology**

Chao noted that the firm is investing in more automation and additional technology at the Anhui Wuhu facility, which will allow the company to double its output with a work force reduction of about 20 percent.

"That will translate to a benefit for our global customers," including those in the U.S., he added.

Coi Rubber also has about 15 employees at its U.S. offices and warehouse. It is likely that number will grow in the future, but not now.

Chao said the company's original plans of connecting two sites "to double our office space to 6,000 square feet (at its site in the U.S.) to hold a staff of approximately 35 has been put on hold due to COVID-19 and other factors such as national trade rules." He added that warehouse space remains intact with about 35-40 container stocking capacity.

A key part of phase two calls for the business to get its laboratory at the Anhui Wuhu plant certified by Chinese authorities "to be able to operate a national association laboratory in China that allows us to test and certify for other plants and molders," he said.



Coi Rubber

Coi Rubber is adding 100,000 square feet to its factory in China.

According to Chao, global consumption of molded goods is skyrocketing in China.

"This is a global demand driven by all other countries," he said.

There also has been a shortage of metals, alloys and tubes, he said, adding that "we are here to satisfy our global customers that have a global footprint, such as Stanley Black & Decker Inc. and other companies that recognize our minority business status."

Many of those businesses require rubber products produced for distribution in Japan, Mexico, Europe, Brazil, Thailand or wherever they operate and need highly engineered rubber goods, he added.

### **Greater depth**

Headquartered in Los Angeles, the firm specializes in custom molded, extruded and rubber-to-metal products, along with plastic injection molded components. It primarily

produces goods for the automotive, agriculture, heavy truck, industrial, HVAC and other industries.

Once the current expansion is complete, Coi Rubber will have 350,000 square feet of manufacturing, research, development and testing space in Anhui Wuhu. In addition, Chao has made investments in partnering plants in China that shoulder some of the company's production overload, giving the firm "great depth and manufacturing power," he said.

Although the company was founded primarily to serve U.S. markets, producing products and shipping them to customers in the U.S. has become more difficult—and costly—in the last few years, he said, noting that the U.S. has made it harder because of tariffs and taxes on goods made in China.

"We process orders from our office in Los Angeles for delivery to other countries, so therefore it's calculated by accounts and not country segments," Chao said. "Most of the accounts that are international may make payments domestically but have deliveries in other countries. It depends on the corporate setup and footprint."

While Coi Rubber does not have a production facility in the U.S., it previously manufactured some goods in the country by farming out production to other U.S. companies. Those were mainly government contracts "that allowed us to do work domestically, but they (the orders) were very limited to specialty items," according to Chao. "We actually have moved all this to China, even with the tariffs in place. To be specific, they are aerospace and fluorosilicone."

Most of the company's testing is handled at its complex in China, although Akron Development Laboratory does some testing for the firm when U.S. customers need exact specifications on products.



Coi Rubber

Last year, Coi Rubber received an Outstanding

Even though the firm does not have a manufacturing plant in the U.S., the company might consider adding a facility. "We are always looking for good deals, which are really hard to come by these days," he said.

### **On the fast track**

Chao, an 18-year veteran of the rubber industry, founded Coi Rubber in 2013 with Alex Horng and some silent partners. After the company built its plant in Anhui Wuhu, the facility received ISO-TS 16949 certification in August 2016. Chao also holds a financial interest in

Diverse Vendor Award  
from Black & Decker.

companies in China that shoulder some of the firm's production overload.

Born in Taiwan, he moved to the U.S. with his family when he was three. He began working in the rubber industry right after he graduated from a Los Angeles university, where he majored in international business in the early 2000s. By 2011, he was vice president of sales for Lusida Rubber Products Inc., a post he left to join Horng as vice president of a Los Angeles-based durable medical equipment firm that Horng founded.

Chao said he and his partners launched Coi Rubber not long after that and built the facility in China. He said the factory uses the latest technology available but is the most cost-effective for customers because of its low labor costs, overhead "and other advantages we have over domestic manufacturing." The plant is located inland, rather than on the coast, which helps lower labor costs, he added.

"We also mix and compound our own materials in-house through a fully automated process," he said. Full automation takes the labor out and makes production efficient, he noted. The company's research and development laboratory sits on the second floor of the Anhui Wuhu factory.

## *Letter – to the – Editor*

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