



Complete solutions
for industrial valves.

Neway Valve in control

Two years ago Mr. Richard Baars took over the reins as Managing Director of Neway Valve (Europe) B.V., a wholly owned subsidiary of Neway Valve (Suzhou) Co. Ltd. Since that time he has been responsible for the day to day running of the company whilst simultaneously putting his plans into place to further develop the corporate culture and establish long term business plans, supporting NEWAY in China in their bid to become a truly internationally renowned enterprise. Valve World spoke with Mr. Baars to find out how he is achieving his aims and how NEWAY, as a group, are growing their international status.

By Christian Borrmann and Gillian Gane

Richard Baars began working in the valve industry in 1992 but, until he joined Neway in January 2012, his experience had been on the distribution side, rather than on the manufacturing side. Coming to Neway Valve (Europe) was, therefore, a change in direction. However, he was welcomed into a warm, professional atmosphere, to join a team of enthusiastic and loyal

people, most of whom had been with the company since its inception at the end of 2005. One of Mr. Baars' main tasks was to change the dynamics of Neway Valve (Europe) from a supportive role to Neway in China, to taking on more responsibility and functionality locally. "A new approach was needed in directing the business", Mr. Baars begins. "In the

past end users, EPC's and distributors in Europe & North Africa were mainly managed by NEWAY HQ in China". Going forward, it was felt that this would be better supported by a local branch office, with the knowledge and experience to deal with the local market."

He continues: "When I came to the company, the goal and targets were clear but the route to achieving them had not been fully defined. NEWAY management gave me the freedom to define future directions based on local team opinions and ideas."

Initially, says Mr. Baars, we didn't make a lot of changes. A couple of months were spent analysing the business and talking to customers and business partners. Armed with the information gathered, we created a detailed plan for achieving the end goals. Part of this plan involved the allocation of more people from the factory and to appoint a few additional people in Europe to take on certain roles.

Mr. Baars tells us; "The next step was to roll out the plan and, operationally, that



Richard Baars, Managing Director at Neway Valve (Europe).

meant we needed to be more involved in the local dynamics of the business, follow it better, improve the service level to customers, improve the brand identity in the market, speak the same language as the customer and, last but not least, bridge the cultural differences between the Western world and the Asian world." The NEWAY Valve global growth plan has two main targets, we are told. Firstly, the Group wants to continue supplying high quality products at a balanced commercial level for sustainable economic results and secondly development and/or widening of the product range according to the needs of the customers. NEWAY Valve's initiative is to continuously provide additional value and benefits to the market place to strengthen their position as a global leader.

The road to true internationality

Mr. Baars explains that "from a growth point of view, not only does NEWAY want to grow the business in the Chinese domestic market, we want to grow internationally and the way to achieve this is to become a truly international



NEWAY Valve International, Houston USA.

www.valve-world.net

company with global facilities. This means a lot of interaction between and development of our global businesses." It is for this reason that NEWAY continues to invest heavily in the USA with a fully equipped distribution center to provide all the local services and, with the South American market in mind, has also opened an office in Brazil. Italy & Singapore opened about 2 years ago as sales support offices and the Dubai office was established three months ago to support customers in this region. The Brazil facility also holds a local stock inventory and in America a very wide inventory portfolio is available to support the local supply chain to NEWAY's distributors.

Part of becoming a truly international company also hinges on the quality and range of products to suit different markets and standards. As Mr. Baars informs us: "As a valve manufacturer you are obliged to be innovative and to continue to invest in research & development. NEWAY want to add products to their range either through their own product development programs or through mergers and acquisitions." A good example of the latter is when NEWAY acquired a safety relief valve company in China a couple of years ago. These engineered products will be added to NEWAY's International range and the factory has been integrated into the NEWAY organisation and implements the Group's vision and mission on HSSE, quality and so on. In the meantime NEWAY continues to develop the quality and technical specifications of their standard products. A lot of testing and research is being carried out in the areas of design, fugitive emissions and environmental challenges. This is done in cooperation with the customers and in order to meet global design requirements such as API, NORSOK, DIN/EN (AD2000), ISO, GOST, to cater for the needs of the market.



NEWAY Valve Suzhou, the largest – single location – valve manufacture plant, globally.

"In addition, a client may have their own specific requirements, for example on casting quality, ITP's or emissions. In order to comply, not only do we need the technology, but also the experience and the personnel that can interact with the customer and speak to them on the same educational level to ensure that their specific requirements are correctly understood and translated into a technical design and solution," adds Mr. Baars. In certain cases NEWAY will also set up partnerships with specialised companies, both in the domestic Chinese market, or globally – companies or consultants who are specialised in certain areas such as special designs and materials, thus taking advantage of those peoples' specialized knowledge.

"End-user requirements, design standards and business partners all play a part in moving forward," Mr. Baars confirms.

Facts & Figures

Neway Valve (Suzhou) Co. Ltd.	
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Revenue	: US\$350 mill
No. Employees	: 1800+
Manufacturing scope	: Gate-, Globe-, Check-, Ball Valves : Cryogenic Valves : High Performance Butterfly Valves : Wellhead Products : Control Valves : Nuclear Valves : Safety Valves
Foundries	: Sand Casting (2 locations), Investment Casting (2 locations)
International locations	: USA, Brazil, The Netherlands, Italy, Singapore, Dubai, Mexico (JV), Saudi Arabia (JV).

The foundry is the basis of good quality

The NEWAY name was chosen to represent the company philosophy of wanting to do business differently – in a 'NEW WAY'. The quality of the company's products is partly due to the design standard and having all the capabilities in house to ensure the right quality, to meet the customer requirements and that the correct quality and safety procedures are in place. NEWAY has all these attributes. "Naturally, the product starts with the design" explains Mr. Baars, "but, the foundation is crucial to the quality of the finished product. When you build a house, on paper you can create a wonderful design but in the construction, unless you put in a good foundation, the end result may look well, but could be of insufficient quality and likely to cause all

sorts of problems. We don't build valves for the short term, but to last and the good foundation for our products is the casting quality. Casting is a natural process that can be influenced by a lot of ingredients, just as in food recipes. Whether you want to prepare an Italian, French or Chinese meal – it's the ingredients and chef that make the difference between a good quality and a bad quality meal. One of the key ingredients in producing a valve of good quality is the quality of the cast. Our products are cast or forged in a high variety of materials. We do use forged materials but our vast volume is casting so, and here is where the 'NEW WAY' comes into play, NEWAY decided right from the start in 1997 to have its own foundries. So, for 95% of our production, our castings are made in these foundries which means we control

the planning and the quality." The company is so confident in their process and product, they welcome the opportunity to show customers around the foundry. As proof of the quality, NEWAY foundries are qualified to NORSOK standard for different grades of material. Mr. Baars enthuses: "We are an open and up-front company. We want to show customers our facility and help them to understand the dynamics of pouring materials, the role of the material and the ingredients to allow them to better specify their requirements. Our integrated foundries give us total product quality control throughout the whole supply chain, from the design, materials, casting, heat treatment, machining, assembly, testing, painting and packing to shipping." Whilst the majority of the production capacity is cast in NEWAY's foundries, the balance consists mainly of exotic materials – not a large quantity, but specialized. For casting the exotic materials NEWAY use known and trusted specialized companies to ensure consistent quality of these specialized products.

Target markets

NEWAY has become successful in their own domestic market meaning that in China the company caters to almost the whole of the oil and gas industry from downstream to upstream, chemicals, the energy and nuclear power industry in China, to the ship building industry,

supplying gate, globe, check and ball valves, safety relief valves and control valves. The NEWAY strategy is to have dedicated teams that are specialized in one area of industry, with a focused product/market approach plus the knowledge and experience within each team to provide added value to customers which, alongside a quality product, is also a very important factor.

Mr. Baars affirms that "in the international market NEWAY is highly recognized and selected by major end users and international oil companies. We are also becoming more accepted by end-users and business partners in other industries for our gate, globe, check, ball, butterfly and high pressure valves, for severe applications and in exotic material valves. We are growing in the midstream market and increasing our opportunities in the upstream side in accordance with API 6D and API 6A." "The second market where we are witnessing a sharp increase in activities and interest is the chemical industry with well-known global companies. Also on the radar, is the international power and energy sector. To date, there may still be a poor acceptance rate for Asian products, but this is changing and we are proud to say we are a Chinese company." Mr. Baars advises us that NEWAY's long term vision is to become the industrial valve manufacturer of choice by major customers every day. The goal is to



Inhouse testing, quality control & R&D.

grow into the international markets, as an international company with more interaction between a mixture of cultures, moving personnel to different locations, for example, allocating people from our Chinese factory into the international organization and vice versa. This will make NEWAY a much more international company than it is today. "It's a high ambition however, within five years I believe you will see this has been achieved," he says. "NEWAY will retain a large manufacturing capacity in China but will also increase global manufacturing and assembling capabilities to meet market requirements. That could be either local requirements, for example in Mexico or Brazil, Saudi Arabia or Africa, or for specific product groups, products for severe application or special materials. Not only will you see NEWAY changing, but also a change in market acceptance and I am confident that, in five years' time, NEWAY Valve will be fully accepted as an

international company instead of merely a Chinese company." NEWAY continues to invest in R&D to ensure that products currently used mainly for the domestic market in China will also become internationally recognised. They are working to obtain ASME and CE/PED approval and are investing US\$9 million in building a test facility for safety relief valves. Around two years ago a CNC equipment production facility was set up and the division is growing strongly. Mr. Baars concludes: "We will continue to invest in our own factories and foundries by optimizing and investing in the latest technology to make the whole production process more efficient and more effective and will be relocating facilities to become more centralized. Plans are in place to integrate and greatly enlarge our ball valve factory into our Taishan plant which currently produces gate, globe, check, butterfly and control valves, so the entire production, machining, assembly and testing of our complete range of valves will be carried out in one single location supported by our management structure and logistics division, resulting in a more efficient and effective supply chain. At NEWAY, customers are welcome to come and see the whole process from design, through the casting process to the end product, testing and shipping, all in control by one: NEWAY!"



NEWAY's integrated foundries for total product quality control throughout the whole supply chain.

Middle East case study

Project name: Shah Gas development program (Alhosn Gas)
Description: Abu Dhabi Gas Development Company awarded Saipem three EPC contracts as part of the Shah Gas development program. The development program is designed to treat 1 billion cubic feet a day of sour gas from the Shah field, before separating the sulphur from the natural gas and transporting both to processing facilities at Habshan area, and then to Ruwais, located in the northern part of the Emirate. The Shah field is located 180 kilometres south west of Abu Dhabi city. The first two contracts encompass the engineering, procurement, and construction of the gas process plant and of the sulphur recovery unit. The third contract covers the engineering, procurement, and construction of nearly 250 kilometre long pipelines in total for transporting gas, condensate and NGL from the Shah Gas plant to Habshan and ASAB tie-in point. The activities will be completed within 52 months.

End user: Abu Dhabi Gas Development Company
EPC: Saipem

Neway Scope: Gate-, Globe- & Check valves
 Soft seal floating Ball Valve
 Soft seal Trunnion mounted Ball Valve
 Metal to Metal floating & Trunnion mounted Ball Valve
 Type of construction, 2-piece, side- & top entry
 Special welded overlay and clad constructions

2"~60"	150LB~600LB
1/2"~6"	150LB~2500LB
2"~16"	150LB~2500LB
3/4"~12"	150LB~2500LB

Materials: WCB, LCB, A105, LF2, F316, Inconel 625/825
Total Quantity: 4000+



China Case Study

Project Name: West to East Gas Pipeline Project
Description: West to East Gas Pipeline Project is one of the largest energy projects in the last 10 years in China. It currently consists of 3 phases and phases 4 & 5 are in planning. The main mission of the project is to transport gas from the west of China or central Asia to the east and south of China where a huge amount of gas is demanded. Phase 1 of the project starts from Lunnan, Tarim to Shanghai with a total length of 4,200 km through Xinjiang, Gansu, Ningxia, Shaanxi, Shanxi, Henan, Anhui, Jiangsu provinces. It became operational in October 2004 with 12 bcm of designed transmission capability annually. Phase 2 of the project starts from Horgos in Xinjiang Uygur Autonomous Region, where it connects to the Central Asia-China Gas Pipeline, to the destination of Hong Kong Special Administrative Region with a total length of 8,704 km with a designed annual capacity of 30 bcm through 14 provinces, autonomous regions and municipalities. Phase 2 includes one trunk line and eight branches. On August 1, 2012, the Guangzhou-Shenzhen branch became operational. Phase 3 of the project starts from central Asia to the destination of Fujian with a total length of 5,200 km with an annual transportation capacity of 30 bcm including one artery, six branch lines, three gas storage facilities and a liquefied natural gas terminal. The third phase is expected to become operational by the end of this year.

End user: CNPC
EPC: CNPC

Neway Scope: Side-entry Floating Ball Valve, 1/2"~10", 150LB~900LB
 Side-entry Trunnion mounted Ball Valve, 2"~36", 150LB~1500LB
 Fully welded Ball Valve, 1"~36", 150LB~900LB

Material: A105, LF2
Total Qty: 12000+

