



# Y&B Valve ready for the global market

**In 2007, with a total investment of 60 million US dollars, a new joint venture company Lishui Y&B Valve was established in Zhejiang, China. Financially and technically supported by its Taiwan-based investors, this company has achieved significant growth in both China and the international market. With the company's development in some high end valve product lines, Y&B started approaching several strategic market places in the world, and has received a positive response. Valve World visited Y&B's Lishui factory in Zhejiang province, China, and learned about the company's latest achievements from the General Manager, Mr Lin Gongbo, and the Sales Manager Mr Frank Zhou.**

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By Yuzhong Shen

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"We are a fast growing valve supplier," says Mr Frank Zhou. "We have already been approved by many EPC companies and end users in various locations, for example companies like Petroleum Authority of Thailand, and CTCI which is the largest EPC firm in Taiwan, have included Y&B Valve in their approved vendor list."

## **Products and markets**

Since the company started business, the investors and management of Y&B Valve have been focusing on the high end market, and are devoting their efforts to becoming a leading valve supplier in the industry. General Manager, Mr Lin says: "Our main products include casting and forging gate valves, globe valves, check valves, ball valves, butterfly valves and automatic control valves, which are all made in accordance with customer requirements and specifications to API, ASME, ASTM, EN, GB etc standards. In accordance with our production schedule this year, we have completed the development of ball valve products in more than 60 different specifications. In addition, we have started producing wellhead equipment including a few types of high end well head valves, high temperature and high

pressure valves, christmas trees, wellhead manifolds, intercepting sewers and blowout preventers, etc." In order to secure a better position in the current market, the management of Y&B Valve have also moved into API 6A products. Says Mr Zhou: "we have successfully achieved the API 6A certificate and orders for API 6A products are already coming in. We will keep investing in the technologies and manufacturing facilities for our API 6A product lines – some equipment has already arrived in the factory and more will be arriving in a few months time. We consider API 6A products as one of our major products and, compared with other general standard valve products, the manufacturing of API 6A products involves more CNC equipment, higher quality materials, manufacturing accuracy, and dimensional precision. We are aware that in China only a very few companies have been manufacturing these products, which are purchased by European and US customers, for more than 15 billion RMB every year. As a result we consider this to be a very promising market for us, and we will keep developing new products in this market area. Besides this, we have completed the import of various



manufacturing and testing facilities for high temperature, low temperature and cryogenic valve production, which makes our products available for a diverse range of applications, temperatures from -196°C to 800°C, and sizes up to 48 inches." Mr Zhou also reveals that the company is currently receiving a lot of pipeline valve orders for high class, hard sealing ball valves in larger sizes. With the support of some major clients, the company has achieved both orders and experience. With the support of its Taiwan-based investors, Y&B Valve's main products have been exported to the European and US markets. However, as China's economy keeps growing, the management is also positive in the domestic market. Mr Zhou says: "The investors from Taiwan have more than 20 years' experience in the valve industry and, besides their capital investment support, they have also been helping the company in market development and technical support, from which our business benefits greatly. At the moment our production capacity is mainly utilized for the export market including the Middle East, Europe, Thailand, Malaysia, America, and Mexico. We have been operating both OEM business and our

own brand in these markets. Of course we are also anticipating business from the local Chinese market, which has already been focused on by many international valve suppliers. We have some domestic licenses for our valve products, and we plan to further develop business in this booming market. Although we only started developing this market a short time ago, we have already received orders from some high quality projects in the power generation and petrochemical industries. For example in a recent Polysilicon project, we supplied more than 30,000 valves."

### New developments

The company has already achieved early success, however the management has been focusing on the next stage of development. A lot of new manufacturing facilities have been imported, and a new plant has also been under construction which is expected to be finished in a few months time. Says Mr Zhou: "We have tried to position ourselves in a medium to high end level in the market, and we have been working hard on our own brands as well. I can say that we are very careful when choosing a partner or client with whom to cooperate. We were once visited by a world class valve supplier who was intending to use two

thirds of our production capacity for their branded products. Whilst this might be a very interesting and valuable deal for some Chinese valve manufacturers, we could not accept this kind of partnership which doesn't allow us to carry out other production. In the long term, we want our own brand to be as successful as other international suppliers', so the OEM business will not become the largest part of our business. In addition, if we produce valves only according to these kind of customers' design and technical specification, it might also affect our own research and design capabilities which, of course, is not good for the development of the company. We are looking at high end customers for win-win cooperation, from which we can benefit not only in market development but also in technology and production management. We have already started cooperation with a leading international distributor in the flow control industry, a company who have professional skills and experience, and they are able to give us many helpful ideas besides valve orders. These ideas might be small improvements in our manufacturing process, or for a different type of manufacturing facility. This means we can benefit in terms of valve quality. Recently, we have also been in communication with



Mr Ling Gongbo, General Manager at Lishui Y&B Valves.





leading, global valve companies. We expect to have many different partnerships in the near future, including some branding orders, technology transfer, and market development cooperation."

Mr Zhou also tells us that, to achieve higher quality products, in addition to manufacturing facilities, the skills of the staff are also important. He continues: "Our starting production of API 6A valves is just one example of how we want to develop our manufacturing skills. As we know, API 6A products require a higher standard of materials, facilities and also staff skills. We have decided to begin with this product because, firstly, it has promising markets, and secondly, we also expect that new production can improve our staff's work

skills. We believe that when they have experience of higher standard products it will also help them when producing other products, so our total manufacturing quality can be improved as well. And of course, we want our staff to have a happy and safe working environment, into which we have invested a lot by way of safety training and better accommodation standards."

### The future

In order to be a truly first class valve supplier, advanced facilities and investments are both required. Y&B's brand new casting and forging plants have been under construction, for which state-of-art testing facilities have been imported. Mr Lin says: "We have already begun construction of

our forging plant, and by May 2011 we will complete the installation of the forging equipment, and various CNC equipment will also start running. The company's manufacturing capacity will reach 30,000 metric tons per year; of which 80% of this capacity will already support the casting and forging foundry. Besides this we have also invested more than 10 million RMB into a comprehensive testing lab which will be built alongside the valve factory and will cover most testing work like forging, cryogenic, high temperature, life cycle, fugitive emission, torques, and radioactivity etc."

As the environmental issue remains a hot topic everywhere in the world, Mr Zhou thinks that in the future there will be





stricter rules about fugitive emission. He continues: "End users like Shell adopted fugitive emission standards a long time ago, and I believe more end users and customers will have higher expectations of valve quality in terms of fugitive emission. Our testing laboratory is built exactly for this purpose and we aim to serve customers with the most appropriate valves. We have seen the trend that fugitive emission performance will play a more and more important role in the valve market, making it necessary for us to keep developing new products that can meet both the market demand and fugitive emission standards."

When talking about the company's service to their customers, Mr Lin says

that, unlike many valve companies who are only concerned with price and quality of products, Y&B Valve, in addition to product price and quality, are also highly focused on people from the outset. This means knowing the customers' needs and providing the best products solution. "No product can be guaranteed with 100% perfect performance however; here we always consider the customer's needs and situation, for example, we understand the importance that our production facilities can affect the customers' final production, life cycle and satisfaction. With this in mind, we always think for the customers about their potential and long term need in terms of valve application. We are sometimes more experienced in the technical design

and application of valves, so we can give them useful tips for better performance and optimization. It will also help our further cooperation of course," says Mr Lin. Looking to the future, the management realizes that opportunities will come through challenges for Y&B. Says Mr Lin, "Although we will be presented with challenges in our journey to becoming a real market leader; we believe the global market will continue to recover and that further developments will bring more opportunity for our business. We are confident about our future growth, and we would like to welcome all companies in the flow control industry to visit us to learn more about business possibilities with us."

