

FILE NAME: Keene (KNE)

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Report on Meeting between Gilbert Chua and Dennis Tan



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Date: 21 March 1975

Report By: R. J. Schirick

INTERNATIONAL DIVISION
VISITATION REPORT

COMPANY NAME: Don Ray International Pte. Ltd.
CITY: Singapore COUNTRY: Singapore
PLACE OF MEETING: Don Ray offices
DATE: 19 March 1975
PERSONNEL ATTENDING MEETING (MESSRS.):

Gilbert Chua - Managing Director
Dennis C. K. Tan - Sales

COMPANY'S MAIN INTEREST (KEENE DIVISION): Insulation Distributor

SUBJECTS DISCUSSED:

1. Don Ray's desires re Keene asbestos containing cal sil inventory.
2. Competitiveness of Keene's cal sil prices in the Singapore market.
3. Potential interest in Keene mineral wool products.
4. Gilbert Chua to meet P. H. Timah personnel.
5. Need for additional literature.
6. Market potential for Keene insulation products in the Singapore area.

DETAILED DISCUSSIONS AND CONCLUSIONS:

- Reviewed*
1. Per the writer's letter of February 7th, the Don Ray International personnel have carefully studied the Keene asbestos containing cal sil inventory and have decided that they are only interested in approximately 38% (on a dollar value) of the material offered. On the remainder even if Keene gave them the material, Mr. Tan felt that it wouldn't be worth the freight costs to Singapore, as these items would be extremely slow moving and would take up a lot of warehouse space. Essentially Don Ray is only interested in pipe insulation for pipe sizes up to 6" with a few exceptions in the 1 1/2" and 2" wall thicknesses up to 12" pipe sizes.

The writer advised Don Ray's personnel that the special price offered to them for this material was based on their taking the whole lot and any reduced quantity could not have the same discount. Furthermore, the writer stated he wasn't even sure that our Insulation Division would want to make a partial

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shipment of this inventory, but would discuss same immediately upon return to Princeton on March 31st and advise Don Ray accordingly.

2. The Don Ray personnel acknowledged that the pricing offered on the asbestos containing cal sil was attractive to them, but for the continuing ongoing situation the current Keene export prices on standard product were not competitive on a landed Singapore price plus Don Ray profit. It was outlined that they would have to be about 33% above the going market price based on Keene's current quotes. Don Ray was perfectly willing to sell at 15-20% above the going rate as they felt they had the contacts to sell material anyway. Sensing that this was just a means to get a further discount, the writer seriously questioned the competitive pricing, whereupon a telephone call was placed to the Bell's Asbestos distributor with the writer listening in, and current specific cal sil prices were requested which were quoted 10-15% below Keene's landed Singapore prices and these still didn't have a markup for Don Ray International. Based on the foregoing, the writer further agreed to discuss firm export pricing for 1973 and advise Don Ray accordingly. (The writer suggests that the Insulation and International Divisions each cut their margins 5% and offer Don Ray export prices 10% below those stated in the writer's letter of February 7th.) Arriving at a satisfactory continuing sales price is essential if we are to move any of the asbestos containing cal sil. (R. J. Schirick will discuss with Rob Martin as soon as possible after return to Princeton.) Furthermore, in addition to the 35% of the asbestos containing inventory, Don Ray wants to also purchase the difference in quantities between their stocking order quote request of January 14th and the quantities which can be provided from the asbestos containing inventory. This would amount to about another \$5,000 U.S. in sales.

3. Dennis Tan, who appears to be fairly knowledgeable in insulation products, has also expressed an interest in Keene Mono-Block and other mineral wool products. The writer warned that Mono-Block probably can be economically exported to Singapore, but that other lower density mineral wool products would have difficulty competing with Australian and Japanese products because of the very favorable freight advantage they enjoy. Anyway Dennis Tan is to study Keene's new Insulation brochure in further detail and request prices on these products that Don Ray International is interested in marketing. The writer did outline to Messrs. Chua and Tan that a brief delay had occurred in our Indonesian mineral wool plant plans, however, we still expected these to be a reality in about two years time and they could then secure their mineral wool requirements from Indonesia for

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not clear

marketing in Singapore and Malaysia.

4. The writer explained that he had been quite embarrassed over the fact that Mr. Chua had not visited Mr. Sinatupang at P. N. Timah in Indonesia to discuss possible cooperation of marketing P. N. Timah's mineral wool output. Mr. Chua gave the writer a series of non-related excuses as to why he had not yet visited Mr. Sinatupang and apologized sincerely for having placed me in an awkward position. Furthermore, Mr. Chua planned to be in Jakarta this coming week and promised to contact Mr. Sinatupang at that time. (I hope he keeps his promise!)
5. Relative to adequately promoting Keene insulation products in Singapore and Malaysia, Mr. Tan has requested 50 copies of Keene's latest Insulation Products catalog which the writer agreed to provide. (Robert Robles please handle.)
6. With regard to the total market potential for insulation products in the area of Singapore, Malaysia and Indonesia for the next 3-5 years, Mr. Tan promised the writer to prepare and forward a brief report on the subject based on Don Ray's knowledge of the marketplace. This the writer will follow up to see that same is received as it could be of value in our negotiations with P. N. Timah.

Robert J. Schirick
Robert J. Schirick

RJS:mbw

March 25, 1973

cc: E. H. Haidinger
E. E. Martin
L. E. Vaitt ✓

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