

Kihsco Valves: High-quality products to

The Kenda Industrial Corporation is an established supplier of industrial valves. After many years of steady development, the company launched its new 'Kihsco' brand of valves and other unique high-end products in order to expand into the international marketplace. Kenda established its European branch company, Kihsco Valves Europe GmbH in Frankfurt, Germany, and used this as a base from which to tackle valve markets throughout Europe, the Middle East, Russia, America and the rest of the world. As a result, Kihsco products soon gained the recognition and approval of both German and European EPC companies and end-users. Valve World Americas recently visited Kenda's production base in Zhangzhou, Fujian Province, in order to meet with their general manager, Mr. Hu Hejin. Mr. Hu told us about the company's development process, as well as about the latest trends he has been witnessing in the global valve market.



"In recent years, many Chinese valve manufacturers have found the overall market situation for conventional valve products to be pretty bad - but at Kenda, not only have our overall revenues not decreased, they have actually grown. In my opinion, this is mainly thanks to the quality of our valves, as well as the innovative features of our high temperature and high pressure product lines." Mr. Hu began the interview by introducing the course of Kenda's development: "The company was established in 1999, and even in the early days, Kenda was primarily interested in the international markets, focusing its operations on the export of various products including gate valves, globe valves, check valves, and ball valves. As business grew, we began to concentrate more on the quality of our valve products, gradually building up our own technical and quality teams in order to implement a good quality control system. This enabled us to provide a more professional service to our overseas customers. In 2004, we cooperated with the German company ThyssenKrupp on a major natural gas pipeline project in Iran. The order included CLASS 600 ball valves and check valves with diameters up to 56 inches. In terms of valve size, technical

specifications and overall order value, this was a project which was very demanding for a Chinese manufacturer at that time. It brought challenges and pressure both for us and our partner: the German side sent an expert over to follow the entire project execution process, and we also worked with ThyssenKrupp on all technical and commercial aspects, developing a good partnership and cooperation along the



way. Through a combination of technical guidance from our valve experts in China, and the documentation support provided by our German partners, we were able to complete the project in a total of seven months. Following this landmark achievement, the confidence we gained in our technical team's abilities, as well as the trust we acquired from our customers, enabled us to establish our first factory. In 2004, we then began setting up the Kihsco brand, allowing us to focus predominantly on manufacturing higher quality products for our overseas customers."

In addition to conventional valves, the Kihsco product line also expanded into high temperature and high pressure valve

products. These are used in a wide range of applications in various industrial fields including oil and gas, chemicals, natural gas, power plants, and paper production. Mr. Hu continued: "When Kihsco was first founded, we also produced the conventional products Kenda was selling at the time. These included gate valves for use in the petrochemical industry, globe valves, check valves, ball valves, plug valves, and the like; we then turned our attention towards higher value-added products, including different types of valves for high temperature and pressure conditions. Especially after the implementation of new valve technology from our German partner A-T (A-T ARMATUREN-TECHNIK GMBH), we began to expand our product range to include high-temperature and high-pressure valves, check valves, regulating valves and other products for use in power station applications."

companies are also in a position to help us promote our products throughout the world," said M. Hu.

Kihsco's manufacturing centre in Zhangzhou, Fujian Province, has a total production area of over 6000 square metres, and includes a large-scale CNC lathe to ensure that all products reach the level of precision required for high-end valves. Mr. Hu explained: "This is where we produce the various types of conventional and special valves supplied to Kihsco Europe. In terms of conventional valves, even though their external appearance is fairly similar to that of other brands, the internal components are nonetheless very different. All our valve castings go through X-ray analysis, and valve stems and other components all have special requirements in terms of how they are finished; sealing and packing specifications are also very high. Because the majority of users are located in Germany, and other neighbouring countries such as the Netherlands and Belgium, we are in direct competition with other German and Italian valve brands in their local market. End-user requirements in terms of valve quality are very strict here - for example, every year we have to carry out destructive testing of our products. Along with the various quality control systems also implemented by other manufacturers, including ISO, CE, and API, customers often ask for other special certifications. An example of this is the AD2000 A4 certificate, required by the German chemical industry: we are the very first Chinese company to have obtained this. In addition, we have also obtained certification for explosion-proofing."



promote overseas business



Thanks to the close cooperation KihSCO has with its German partners, the company has been able to receive long-term technical support from a number of well known companies in the high-end valve industry, including A-T Valves and ThyssenKrupp. Mr. Hu explains, "Our German partners have been providing us with technical support for a long time now, in the form of frequent visits and training sessions on design requirements and quality control issues. A-T Valves' chief engineer has often been to see us in order

kinds of valves. Our production process for high temperature and high pressure valves is managed and monitored in strict accordance with German manufacturing standards. Particular emphasis is placed on the welding process - this includes heating of components prior to welding, welding insulation, and heat treatment after welding. In our factory, we are meticulous in ensuring that all aspects of production are carried out according to these standards. Experience has shown us that valves which can withstand high-pressure testing at room temperature may not necessarily be able to pass the same tests under high temperature conditions - this particular property has a direct association with the level of precision of the manufacturing process. As we are producing high temperature and high pressure products, our pressure testing equipment is also very important - the valve pressure test device we currently use can test 24 inch valves up to 2500 pounds."

On the topic of the company's key customers, Mr. Hu revealed that KihSCO's international business mostly consists of EPC companies and large-scale projects. "At present, our main partners are EPC companies, as well as a small number of distributors. The high pressure valves, check valves and control valves I mentioned earlier for use in power stations are mainly supplied to Germany, Russia and other markets, including some to large enterprises such as ThyssenKrupp for use in their projects. Following the large order we worked on together in 2004, we also collaborated on a project in Egypt in 2012 which involved the supply of 2500 valves. We once again made good use of the technical strengths of our products, adopting A-T's German standards throughout the whole design and production process. When working together with EPC companies, there is always a standardised procedure to be followed - their price books are extremely thorough, and all manner of details like

painting and packaging have very specific requirements, meaning that critical data like quantity and technical specifications can sometimes almost "drown" in a sea of detailed instructions - the preparatory work alone requires a significant investment in terms of manpower and effort. For this sort of work, the KihSCO technical team will provide its fullest support, meaning there will effectively be no barriers to communication in terms of foreign languages, and thus ensuring the integrity of our technology and production processes. In other words, communication is a key part of business cooperation, and this is one of the KihSCO team's biggest strengths!"

When asked about the company's future development strategy and prospects, Mr. Hu stressed that the company will further expand its high-end product line, as well as continue to develop its North American business. He said: "At the moment, our sales ratio of own-brand to OEM-brand products is about 50:50. In the future, we will insist on producing more of our own brand products to further open up the market. We will also establish a branch office in the United States in order to build up the KihSCO brand in the large North



in the hope that we can help society to develop along with our company, and plan to encourage greater cooperation with the local Department of Education and the Red Cross."

Mr. Hu concluded our interview by saying that: "As far as valves are concerned, I think that quality is the most critical factor. We believe that over time, customers will be more inclined to purchase top quality products, at a reasonable price. Some foreign customers may not fully understand the Chinese market, and may



to explain all manner of details from design through to manufacturing. The difference between these special valve products and conventional products is very obvious. In particular, most components are forged rather than cast, in order to avoid some of the pitfalls that can appear when using a casting process. Calculation requirements for technical parameters are also very high. These products tend to be used in key parts of the power station, such as the main steam conduit and water supply pipelines, where temperatures are very high. There are also valves for use in the regulation and control of the power system. At the moment, very few Chinese manufacturers are able to produce these



and South American markets. These are areas with great potential for us, and ones we have already begun to address more seriously: last year we already had a lot of discussion and technical exchanges with customers and distributors in the United States, Brazil, and Mexico. Also, we will focus more on developing technology for high-end regulating valves as well as valves for use in nuclear power stations - in 2013, we will obtain the relevant certification from the Chinese nuclear power authorities. Furthermore, throughout our development process we have never forgotten our social responsibilities. Kenda sets aside funds every year to assist local schools and students, something we have been doing for 12 years now. We will continue with this educational support in the future,

end up purchasing poor quality products due to their cheap price. However, once these quality problems begin to manifest themselves after the valves have been put into operation, customers will usually decide to go back to using high-quality, value-for-money products. For this reason, we always adhere to the strictest quality requirements, even though this may incur higher investment costs. Our goal is to become one of the world's best companies in our industry, and to this end we often meet up with other leading enterprises at Valve World Expos in order to exchange ideas and experiences. At the recent exhibition in Dusseldorf for example, I learned that Shell, BP and Bayer all use KihSCO valves, a fact which makes us even more confident in our future growth prospects."

