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Seeking work in China

Polycorp sees opportunities for liner business in overseas market

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ELORA, Ontario—Peter Snucins is bullish on China.

In November, the Polycorp Ltd. president returned from his fourth trip to China, where he met with the mayor of Beijing.

“He tells me that Beijing plans to add 450 more miles of subways in the next few years,” Snucins said. “This will make the Beijing subway system longer than London’s, Paris’ and Moscow’s combined. They’re looking for noise and vibration insulation solutions, and I’m there to see whether our solution is something that they can use.”

The Beijing subway is one of three projects which Polycorp is pursuing in China. The Elora-based company, which is the exclusive supplier of rubber impellers worldwide to both ITT Corp. and Ingersoll Rand Corp., is negotiating for a grant from the Chinese Ministry of Water to develop rubber impellers for a series of water pumps the government is developing to solve the country’s water flow problems.

Also, Polycorp is engaging a marketing group to do a market study on the potential of its rubber mill and protective linings in the Chinese market.



RPN photo by Miles Moore

Polycorp Ltd. President Peter Snucins has made four trips to China to see if his company’s rubber products can fill needs in the market there. The Elora, Ontario-based company specializes in rail seals, rubber mill liners and rubber protective linings, and is looking to expand its international business.

“We’ve had talks at the highest levels,” Snucins said about his Chinese travels. He said he expects to hear from the Ministry of Water shortly on a contract for the pump impellers and to visit China again early in 2008 for further negotia-

tions.

Expanding Polycorp’s business internationally is one of Snucins’ priorities, although North America is and probably will remain the company’s biggest market by far. Seventy-five percent of Poly-

corp’s business is with the U.S., he said.

Concentrating on core

Polycorp is the successor to the old B.F. Goodrich Canada Engineered Products Division, which Snucins and a partner purchased in 1995. Seven years later, Polycorp acquired Polymeric Protective Linings Inc., the former B.F. Goodrich Protective Linings Division. Around that same time, Snucins bought out his partner and other shareholders to assume sole ownership of the business.

Since its beginning, Snucins said, Polycorp has built its success by concentrating on a core group of product lines and striving to be the very best in those markets.

“When I bought B.F. Goodrich Engineered Products, they made an incredible number of products,” he said. “I felt that they were making too many.”

Snucins decided instead that Polycorp would concentrate on three product areas: rail seals, rubber mill liners and rubber protective linings. “We are now No. 1 or No. 2 in North America in all those product lines.”

Over the years, Polycorp has added to its product mix those items that would interest its standing customers. “We became more of a one-stop shop,” Snucins

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said.

Early in 2007, Polycorp announced a new technology to extrude rather than calender rubber tank liners, using rubber roller head extrusion technology. Designed for longer service life and compliance with stringent new tank car testing regulations in the U.S., the new technique made Polycorp the first company in North America to use roller head extrusion on liners.

That technology is in its "beta stage" of development, according to Snucins. The process is on trial in rail car applications, and Polycorp is waiting for test results in other applications.

Currently, Polycorp employs 117 at its

55,000-sq.-ft. manufacturing facility in Elora, running on a 24/7 schedule. The company installed a new press in the early fall of this year and is considering the installation of yet another, Snucins said.

The company also is in discussions with scientists at Queen's University in Kingston, Ontario, regarding the university's advanced materials research and how it might apply to Polycorp's product line.

"We're looking at expanding our product line using advanced materials technology," he said.

Neighborly behavior

Snucins enjoys serving a largely U.S.

clientele, although culture shock arises occasionally, he said.

For the most part, he said, Americans don't know much about Canada. "We've had customers come up here without passports. They're shocked by the culture and the weather—some of them don't realize that it can actually get hot here in the summer!"

U.S. federal laws are of less consequence to Polycorp than local and municipal regulations given the company's product lines, according to Snucins. "But that's the nature of our business," he said.

The North American Free Trade Agreement—a fact of life for U.S., Canadian

and Mexican businesses since 1994—has no impact whatsoever on Polycorp's business or strategy, according to Snucins.

"I wouldn't call it unimportant, but it's not something we think about or talk about," he said. Quality and cost, he said, are the main determinants in Polycorp's business, not tariffs or the lack of them.

Similarly, Snucins wasn't sanguine about the initiatives taken by Prime Minister Stephen Harper's recent initiatives to support Canadian manufacturing, or the efforts of the Canadian Manufacturing Coalition to gain approval for further pro-manufacturing measures.

"We're relying on our own initiatives to expand our business," he said.