Specialists in a big ocean

Tru-Marine, a specialist provider of repair and maintenance services for turbochargers, has come a long way since it was started 29 years ago as a general shiprepairer.

Some 15 years ago, rising competition and lower margins nudged Tru-Marine into identifying and moving into a new segment — the service and maintenance of turbochargers used in diesel engines.

Starting from Shanghai 11 years ago, the company has been steadily expanding its overseas footprint. It now has operations in Tianjin and Guangzhou, China, as well as markets like the United Arab Emirates (UAE) and India, where it recently established an office. The company is also setting up another facility in Hai Phong, Vietnam, which will be ready by year-end.

So, what is prompting Tru-Marine, a company with a turnover of $40 million, to venture to these markets? "As an SME [small and medium-size enterprise], it is quite easy. See what the big boys [the shipyards] are doing, and just follow," quips Loke Yuen Kong, one of Tru-Marine's three directors.

But, certainly, there is demand for specialist companies like Tru-Marine, and the company knows it for a fact. Over the past three years, the company has been averaging an annual growth rate of 20%. This year, it can expect to achieve the same growth too, says Loke.

The company is now riding on a rising demand for repair and maintenance services of ship engines, as the vessels plying the oceans need their regular "check-up". Riding on the current boom in oil prices, ships are calling on Middle Eastern ports with increasing frequency.

"Ships are needed to carry oil. They are also carrying in the latest TVs, and all of the cement, and building materials. The world's biggest and best are being built in the Middle East," says Loke. The company, which has been in Dubai for three years, is expected to churn a turnover of $1 million there this year and that figure is likely to increase in 2007.

Tru-Marine is always on the look out for new markets. For example, Loke took part in a recent business mission to Qatar, organised by IE Singapore. "Dubai is already getting quite competitive, so we thought we should take a look at what Qatar is doing. They are moulding themselves after Dubai, and will probably do so in half the time," he says.

The company expects to grow revenue from its overseas operations at a faster rate than what it has been achieving in Singapore. Currently, more than 70% of its revenue comes from Singapore. The company aims to have more than half of it from overseas in five years' time. "This is not to say that business in Singapore will decline, but that growth will be faster overseas," says Loke.

Being a relatively small company has its advantages, as it can be flexible and respond quickly to market demands. For example, Tru-Marine can comfortably set up a workshop in a new overseas location within six months, or earlier, if need be.

"We will go where there are opportunities. Our trade is very specialised; few companies are doing it. If the conditions are right, there is no reason we can't be there," says Loke. ■

SIMON LEE/THE EDGE SINGAPORE

Loke (left) and Jack Chan, two of the company's three directors. Tru-Marine expects to earn a larger proportion of its revenue from the overseas market.