

Läckeby Water grows with new business area and strong sales:

Swedish reputation for environmental excellence paves the way in China

Sweden's good reputation in China within the field of environmental technology is helping Läckeby Water AB, based in Kalmar, Sweden, fill its orderbooks. Sales in China doubled last year to SEK 250m. Läckeby Water is now continuing its expansion by buying all shares in German technology firm Purac GmbH and Norwegian Waste Water Treatment plant operating company Bevas A/S. The expansion means that Läckeby Water is planning on taking on 15 more engineers in, among other places, Sweden.

China is Läckeby Water's biggest market, accounting for a third of the entire company's sales last year. Having a subsidiary in China is an important competitive advantage – no other Swedish company within the water treatment sector has staff in the country. And Läckeby Water is well established in China – the company first entered the market in the early 1990s.

"Our strong European base, combined with a presence in the countries where the treatment plants are built, is our recipe for success," says Hans Malm, Läckeby Water's president. "Our subsidiary in China has grown in size to 18 employees since 2003, and we see great opportunities for further growth. We could be turning over SEK 1bn within five years."

Investing in the subsidiary in China was a large and high-risk investment for Läckeby Water, but it has given the company a number of benefits.

"I see three major benefits with being present in China," says Malm. "We get a better relationship with our customers; we can influence local consultants in a different way, by presenting our technical solutions on site; and it is easier to find Chinese subcontractors. We have trained many of our Chinese technicians ourselves in Lund, Sweden."

Läckeby Water's acquisition of Bevas has now opened new business opportunities for the group. Until now local councils in different countries have themselves taken care of water treatment plants, but all this is now changing.

"We see a clear trend in Europe with more and more councils subcontracting their water treatment plants to private firms," says Malm. "Therefore the purchase of Bevas A/S is part of a conscious strategy. The purchase means we also get the knowledge of how the plants should be best run from an economic and an environmental point of view. This complements our own competencies."

The purchase of Bevas A/S means Läckeby Water gets an excellent reference plant in the Nordic region, with the Bekkelagets treatment plant.

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Läckeby Water AB, based in Kalmar, Sweden, bought Purac AB from British company Anglian Water in December 2003 and formed Läckeby Water Group. The group makes water and sewage treatment plants, as well as plants for biogas production, and develops and produces components for these plants at its own workshops. Läckeby Water Group is one of the ten largest companies within water treatment, with 190 employees and a predicted turnover for 2005 of over half a billion Swedish kronor.

See www.lackebywater.se