

AVERY DENNISON ISRAEL TO OPEN A FACILITY IN CHANGZHOU, CHINA



PTL GROUP

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Avery Dennison Israel to open a facility in Changzhou, China, at millions of dollars investment and help from Ci³ Industrial Incubator.

Avery Dennison Israel (formerly [Hanita Coatings](#)) will open a new facility in Changzhou, China. The plant, in which the Company invests millions of dollars, will be located in the CI³ Incubator and will be devoted to the final processing of Avery Dennison's products.

[Acquired this March by American company Avery Dennison](#), Hanita Coatings manufactures and sells high-performance quality coatings and insulating sheets that enable energy saving in a range of industrial and commercial applications, including electrical appliances, construction, and packaging (mainly for pharma products). Many of the Company's customers in China and Asia are refrigerators manufacturers.

Similar to other technological companies in China, **Avery Dennison Israel** is building the facility in response to the global competition challenge and as an inevitable measure to better respond to its direct clients. These clients include mainly refrigerator manufacturers in China, Korea and Japan as well as panel manufacturers who need their orders shipped two weeks from ordering, at the most.



Two and a half years ago, the Company launched its industrial operations in China with the help of CI³, the Changzhou Industrial Incubator. CI³ is a distinct venture which allows global companies to start their manufacturing operations in China in an easier and more comfortable way with reduced investment and risks inherent to entering a complex, unfamiliar market. Both Chinese and Israeli governments have acknowledged the venture as an outstanding model. The independent Avery Dennison Factory, which will start working next year, is also been established by the Incubator's staff which provides it with project management services, including construction management, registration of a local WFOE (Wholly Foreign Owned Enterprise), adaptation to environmental regulations, and more. The built-up area of the new facility will be 7,500 square meters on a plot of 18,000 square meters.



Oved Shapira, CEO of Avery Dennison Israel, said, "As soon as we entered the Chinese market, it became clear we needed local production operations for the final processing of our products. The relatively small investment we made as part of the incubator has allowed us to develop and grow in the Chinese market to the current stage, in which we are building a plant that will become operational in 2018

For medium size companies such as Avery Dennison Israel, or even larger foreign companies, the help from an organization such as [Changzhou Industrial Incubator CI³](#) is invaluable and certainly the right thing to do.

"Following our acquisition by Avery Dennison, a US Corporation with a turnover of \$6.5 billion, we persisted with business as usual. Avery Dennison too is highly appreciative of the local help and value provided by the CI³ industrial incubator."

Ilan Maimon, co-founder of CI³, said, "Our motivation for establishing the industrial incubator six years ago was the pressing need of foreign companies for local manufacturing operations in China that would help them preserve their global competitive edge over global and Chinese competitors and meeting the requirement of their global and Chinese customers to buy from nearby suppliers. The CI³ incubator allows the company to start with small production batches and to expand gradually in line with sales growth, eliminating the large upfront investment required to building an independent facility.

Zvi Shalgo, PTL GROUP founder and co-founder of CI³, said, "The Incubator offers a collection of services that ease up the foreign company's market entry: the ability to start independent manufacturing without a local partner minimized the risk for imitations and IP leaks. Additional benefits include smaller upfront investment, significantly shorter time to market and multiple related services including engineering, supply chain management, procurement, quality assurance and administrative support, including HR recruitment and management; financial management; licensing; representation vis-à-vis the local authorities; logistic management and close support from experts on managing industrial projects in China."