

Windsor Engineering: International buyers return

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Maurice Davies believed Windsor Engineering had the know-how to weather any economic tempest. "We had experience in how to cope, but we hadn't expected all markets in every country to stop buying," he says now. "It was a total shock, like I guess it was to all New Zealand manufacturers."

Windsor's core business is designing, making and installing timber drying kilns, heat exchangers and filtration systems for industries as varied as lumber, dairy, oil, food, chemicals and concrete.

Davies describes the past 12 to 18 months as challenging, but the support of its employees helped the 35-year-old Wellington company through the storm.

"Like many other manufacturers, we underwent reduced hours, or four-day weeks, with the support of all of our employees for four months," he says. "Many of the staff have been here 20-plus years, and they understand what has to be done; we know how to lock down tight, protect ourselves and carry on through."

"Then some good international orders trickled through, and this year events have dramatically improved and projects are starting again throughout the world."

"We have orders under way for Vietnam, and the United States is showing promise after a very long and stagnant period for the lumber industry."

When Windsor first felt the recession in late 2008, it had plenty of orders, and it was mid-2009 when discomfort set in.

"With the reduced hours we were able to retain 98 per cent of our employees and retain our engineering competency, so when the upturn came, we were fully geared up and ready to go," Davies says.

While the company cut costs in the slow times, it leapt at the chance to acquire a rival Auckland company, IPSCO, this year. "It was a very creative merger that has set us up very well to offer added value to our clients in air pollution control," Davies says.

"There's a lot of creativity required now to get an order out of a client – there's a lot of reluctance, and finance and banking institutions are still risk-averse. I suspect many people are concerned that there may be a second recession."

"The volatility of the exchange rate is a major issue, which makes it very challenging when you're trying

to export and fix a price."

But there are rays of sunshine too: a promising upswing in both the dairy and timber sectors is starting to refill order books, and a significant US timber drying kiln project was signed up last month.

Maurice Davies

Managing director, Windsor Engineering

*** Your big hope?**

To see the US commence several projects, to see the exchange rate come down a little which would improve our competitiveness, and to see the New Zealand dairy sector build some new processing facilities over the next 12 months.

*** Your big worry?**

A lack of certainty, a lack of support from our banks and a lack of stability – we really need a stable business environment now.

*** What would help right now?**

Sorting out the volatility of the exchange rate. The latest Budget was pro-business, and allowed tax reductions, which is always helpful for investment.

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