M513

TX-GTW 1451 PST 11/29/84
T684

ITT GA (0269552)78086246"
CUTTERITL EMVL

11 29 1738
86246 HKLCH HX
GA

CUTTERITL EMVL

TO: P. NGAN/LCH
FROM: D. RAY/CUTTER
DATE: 29 NOVEMBER 1984
REF: DCR-4874

RE: HEAT TREATED KOATE (YOUR TELEX D-830)

AT PRESENT WE ARE SELLING KOATE-HT AT HIGHER PRICE THAN REGULAR KOATE. WE SET ASIDE ENOUGH STOCK OF REGULAR KOATE TO BE ABLE TO SUPPLY HONG KONG GSD UNTIL ABOUT MID 1985 OR POSSIBLY LATER.

WHEN WE EXHAUST SUPPLY OF REGULAR KOATE, I WILL TRY TO OBTAIN STOCK OF KOATE-HT AT SAME COST. PROVIDING PRODUCTION COSTS DO NOT COME OUT A LOT HIGHER FOR THE NEW PRODUCT, WE WOULD LIKE TO BEGIN SUPPLYING KOATE-HT AT SAME PRICE UNDER EXISTING GSD CONTRACT. BUT LET'S NOT COMMIT TO THAT UNTIL WE DETERMINE FOR SURE IF WE CAN DO IT.

IN THE LONG RUN, IT IS MY PLAN TO CONVERT ALL FAR EAST CUSTOMERS OVER TO KOATE-HT BEFORE THE END OF THE YEAR 1985 AND JUST TREAT THE CHANGE OVER AS A PRODUCT IMPROVEMENT. BUT WE MUST USE UP STOCKS OF REGULAR KOATE WE HAD MADE FOR EXPORT. WE FORECAST NEED FOR REGULAR KOATE BECAUSE PRODUCTION COSTS OF KOATE-HT WAS EXPECTED TO BE HIGHER AND WE HAVE SEVERAL LARGE FIXED-PRICE CONTRACTS.

YES, WE AGREE KOATE-HT SHOULD BE INTRODUCED INTO HONG KONG THIS YEAR. IT IS A SAFER, BETTER PRODUCT. IF YOU WANT TO BUY SOME NOW FOR PRIVATE MARKET SALES, OUTSIDE OF GSD NEEDS, WE CAN SUPPLY AT TWELVE AND A HALF CENTS A UNIT. KONYNE-HT WILL BE RELEASED IN EARLY 1985 AND WE CAN SUPPLY IT AT SIXTY DOLLARS PER 500 I/U VIAL.

HAPPY TO SEE LCH INTERESTED IN HEAT TREATED PRODUCTS. ALL OUR KOATE KONYNE SALES WILL PROBABLY BE HT BY 1986.

REGARDS,

--REPLY VIA ITT TELEX 470132
CUTTERITL EMVL

86246 HKLCH HX.....
1743EST 004.60

cc: G. Mull
THEY DISC.
Elapsed time 00:04:30

PRINTED AT 1457 PST 11/29/84

151