

ADDED CAPITAL COST

Fahed cautions that a lot of so-called modern technological improvements “do not justify the outlandish added capital cost, such as a run-around coil in an AHU, which practically doubles the original cost. This is unjustified in terms of less than 10% added efficiency.

“It takes that much extra effort when people are used to something and do not want to innovate or change. Here the issue of risk-taking is more entrenched.” However, legislation is resulting in something of a step change as the trend of green building spearheads the adoption of innovation as a viable business practice, says Aslan.

So what has made IMEC endure for such a long period of time? Fahed’s answer is simple: “It is our reputation and integrity,” he says. “It is based on our professional background, our ongoing contribution to the market, and also on a personal level.” Aslan, for example, has become a leading authority on cooling tower technology. When clients seek out his advice or expertise, they also often enquire after his father, the founder of the company.

Another issue that cannot be ignored is prevailing market conditions. “A critical factor of any company is its financial robustness, which allows it to ride over any bumps on the road to success,” says Fahed. Aslan adds that a key issue at the moment is cash flow. “A company may have an order book filled with a backlog of orders, or projects in the case of a contractor. However, if the cash does not flow timeously from the client to the main contractor and down the supply chain to suppliers and sub-contractors, companies can choke to death as they are unable to cover their running costs.”

DEAD END

Looking at the market more specifically, Aslan says that “district cooling is practically halted now and come to a complete dead end. But it should move back in 2010. That being said, there are still some projects going on, and we are on top of that. That is very important. You obviously need to be winning orders at the same time.”

Another major issue is the increasing multinational nature of manufacturing conglomerates, which flood the market with cut-price products. “Every company without exception is either wholly or partially manufacturing in China, India, Pakistan, Korea, Taiwan or Malaysia. For example, all horizontal split-case pumps used in district cooling in particular are made either in India or China,” argues Fahed. Such products are then shipped to the US and re-exported under different brand names, and at vastly increased prices.



“ We have acquired loyal clientele, which has enabled the company to survive the vicissitudes of the global economic turmoil.”

Fahed Al-Barazi

that, apart from the US, we are unequalled.”

Aslan says this is because of the size and scope of the district cooling industry in the UAE, which has transformed itself into the biggest in the world. “The tonnages here are unheard of elsewhere. In the US, a big plant is 25 000 TR, whereas here it is 100 000 TR. Here they are constantly setting new design records. So if you want to be a district cooling design specialist, you really need to have acquired experience in the Middle East market.” Another engineering challenge is the associated primary and secondary stage pumping involved. “You have to be a very competent engineer to lay out such systems, as you are taking water kilometres away from a central point,” adds Fahed.

What does the future hold for IMEC? While Fahed has gradually stepped aside, Aslan has taken over the reigns of the company. “We are a genuine family-owned business,” says Fahed. “If Aslan had not been interested, I do not know what I would have done. I would have probably sold it. As the Koreans say, people pass away, but companies should remain forever.” [MEP](#)



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