

Zaporizhstal will get an opportunity to produce a new product for Ukraine

At the end of December 2003 Zaporizhstal Iron & Steel Works signed a contract with the company “Hatch Steltech” (Canada) for the installation of a coil-box, a unit for coiling and uncoiling rough-rolled coils on the hot strip rolling mill 1680. According to the Financial Director of the Works, Alexander Rabtsun, credits for financing this project have been provided by «Raiffeisenbank-Ukraine» and “Raiffeisenbank” (Austria). The supplier of the equipment was chosen by the results of the tender. The term of the contract fulfilment is 24 months. The sum of the contract is not disclosed, but it is known, that the cost of the coil-box exceeds US \$10 million.

«Taking into consideration the construction features of the mill, we have come to a conclusion, that without a coil-box it is simply impossible to produce hot-rolled metal of thickness 1-2 mm in coils of double mass, with improved mechanical properties, and planeness characteristics» explained Alexander Putnoki, the 1st Deputy Chairman of the Board, Technical Director.

The representative of the company-supplier has emphasized, that the first coil-box in Ukraine and the 50th coil-box of the company “Hatch Steltech” in the world will be installed at Zaporizhstal. As he noted, the coil-box bought by Zaporizhstal will be the most modern coil-box in the world. “The installation of the coil-box on your mill will allow to widen the range of products. The strip will be thinner and wider. It will help Zaporizhstal to master the new markets in the next few years”.

The coil-box has been bought within the framework of stage-by-stage reconstruction of production. There are also plans to install a furnace-ladle, a reversing cold rolling mill 1700, a combined straightening and slitting unit for coils, a hot galvanizing unit with further polymer coating and other projects aimed to provide the machine-builders with a wide range of metal products.

Zaporizhstal JSC is one of the largest metallurgical enterprises in Ukraine. It produces hot-rolled and cold-rolled sheets of thickness 0.5-7.0 mm of carbon, low-alloyed, alloyed and stainless steels. According to the data of the State Committee for securities and the share market, by January 1, 2002 the companies “Weybridge Investments Limited” (Great Britain) own 20,8325 % of Zaporizhstal shares, « Zakhid Reserve » (Ukraine) — 21,44 %, Mawerton Ltd. (Great Britain) — 21,1 %, «Trade House "Zaporizhstal" owns 25 % + 1 share. The registrar is “Zaporozhstal-AG” JSC.

According to the results of 2003 the Works assumes to receive pre-tax profit at the rate of 645 million UAH, which is 423 million UAH more than the indices of the previous year. The expected net profit is at the level of 390 million UAH, out of which up to 2 % will be paid as dividends for 2003.

Sergey Gusev