
Ducab Q2 net sees 30pct rise

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Ducab announced its H1 results that show evidence of the improving trend in the region's economies.

Sales in the Q2 of 2009 showed a 30% improvement over the January to March of the year. The total sales of AED 1.2 billion for the H1 saw an 18% decline over the H1 of 2008, in line with the lower activity in the real estate sector. Copper, a key raw material for cable, reached a peak price of more than USD 8,000 per tonne in 2008 before falling to below USD 3,000 in early 2009. Prices have since recovered to USD 6,000 per tonne.

Mr Andrew Shaw MD of Ducab said that "The Q1 of the year was characterized by uncertainty and this adversely affected our sales but we are very pleased to see the improvement in demand in the Q2 as construction projects have restarted and some stability has returned to the market. We expect this gradual improvement to continue in the second half, as the economic situation improves and we begin to see higher sales in some of our new export territories in the Mena region."

Ducab has been working on streamlining operations and improving efficiencies across the business since late 2008 with projects across all three manufacturing sites aimed at improving yields and reducing costs. For example, production of low voltage cables and building wire has been consolidated into state of the art facilities in Mussafah, Abu Dhabi to improve competitiveness and releasing space for expansion in the other factories.

A company statement said that looking ahead to 2010 Ducab aims to continue to invest in new capabilities and capacity.

(Sourced from Emirates Business 24|7)

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