
GIC delays USD 750 million Bahrain steel plants until Q1 2010

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Kuwait based Gulf Investment Corporation has delayed until the Q1 of 2010 the development of the USD 750 million Sulb steel plant in Bahrain in order to allow more time to structure the debt being raised to finance the project.

Construction of the 1.8 million tonnes per year plant was due to start by the end of 2009 and take over 2 years to complete. Financing for the project was also due to be put in place before the end of the year. But following meetings between bankers and GIC in October, both sides agreed to delay the timetable for the project's development.

The delay is necessary because 5 banks are still carrying out due diligence. The banks are Jordan's Arab Bank, France's Societe Generale, Banque Saudi Fransi and Mizuho Bank and Sumitomo Mitsui Banking Corporation both of Japan.

Gulf United Steel Company is sponsoring the project. Gulf Investment Corporation owns 50% of Foulath, Qatar Steel owns 25%, Kharafi Group and National Industries Group both of Kuwait, each own 10% stakes and Kuwait Foundry Company owns 5%.

(Sourced from MEED)

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