

---

## Slowdown signs - Sandvik sees weak demand

*Sunday, 06 Sep, 2009*

Reuters reported that Sandvik's overall demand remained very weak but had still developed better than feared over the past couple of months.

Mr Lars Pettersson CEO of Sandvik said that "Regarding demand in general across all business areas, I would say it is still flat at a very low level."

Lower demand for metalworking tools, mining equipment and specialty steels forced Sandvik to slash costs and lay off thousands of workers, as the economic downturn took its toll on the Swedish manufacturing sector.

Mr Pettersson said the group had seen an increase in inquiries from customers in the mining sector, but few of these were being translated into new orders. He added that "It didn't turn out quite as bad as I had feared, that much I can say. That doesn't mean things were good, but they were not quite as serious as we had planned for."

Analysts expect Sandvik would not be able to return to profitability at current demand levels during the third quarter and Mr Pettersson said it was too soon to say if Sandvik would be able to make a profit in the final quarter of the year.

He added that "I don't dare say we'll be there in Q4. That depends on how the business develops in terms of mix and other issues, as well as on how fast inventories can be scaled back. Some time toward the end of this year or the beginning of next year we will begin ramping up production to a level that covers demand, and then results will be affected right away."

(Sourced from [www.reuters.com](http://www.reuters.com))

For more news visit at [www.steelguru.com](http://www.steelguru.com)