
Steel Strips to study feasibility of wheel rim plant in Morocco

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BL reported that Steel Strips Wheels Ltd which has bagged an order to supply the full requirement of wheel rims for French car-maker Renault's Greenfield plant in Morocco will study the feasibility of setting up a plant in the North African country.

According to reliable sources, the company hopes to begin the feasibility study some time next year and if it decides to go ahead with the Morocco plant, begin the construction in early 2013. The company anticipates an investment of EUR 20 million in the Morocco plant.

Steel Strips Wheels in an announcement to the stock exchanges said that Renault had nominated it for 100% supply of steel wheel rims to its Greenfield plant in Morocco. Steel Strips Wheels would start supplying for this project from the last quarter of 2011 from its Chennai plant.

The company expects to supply more than three million wheel rims in five years to Renault, which would lead to foreign exchange earnings of about EUR 28 million.

Mr Dheeraj Garg MD of Steel Strips Wheels told Business Line over the telephone that the company had expanded its relationship with Renault ever since it started supplying wheel rims for the Logan in India. It had been nominated to supply to Renault in Romania and Brazil.

(Sourced from Business Line)

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