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## Dana Steel cuts billets import volume by 81pct

*Saturday, 28 Nov, 2009*

AllAfrica.com reported that Dana Steel Limited has cut down the volume of its billets import by 81%.

Mr Jacky Hathiramani MD of Dana Steel said that they have just commissioned their new billet manufacturing plants valued at NGN 5.4 billion. He added that "With the Steel Melt Shop now operational, Dana Steel will now cast its own billets from metal scraps. This would lessen the Mill's dependence on purchased billets by up to 81% and improve overall efficiency and gross profit margins. The rolling mill has installed capacity of 207,000 tonnes."

Mr Hathiramani noted that, prior to the commissioning of the Plant, Dana Steel had to rely on billets imported mainly from Ukraine, and also from Brazil, China and Russia. He said that "The lengthy import cycle, the need to stock a substantial supply of billets to cushion against outages, the necessity of road transport, and the need to pre-pay for imports resulted in an extremely long working capital cycle, requiring large amounts of cash borrowing to feed working capital needs. This led to high interest expense and depressed margins."

He further stated that since they took over the moribund rolling steel mill in December 2006, the group has invested heavily in the refurbishment of the plant. He said that "Today, the entire induction furnace and mill have been completely renovated and updated with the latest technology. Three sizes of bars are currently produced namely 12mm (50% of sales), 10mm (25% of sales) and 16 mm (25% of sales)."

The activities of Dana Steel have also generated employment for many. The management of the company inherited 56 full time staff and 30 contract staffs when it took over the company, and as at October 2009, the number had increased to 207 full time staff and 63 contract staffs. With the commissioning of the new billet plant, more staff will be employed. As a responsible corporate citizen, Dana Steel has made significant contributions to the socioeconomic development of its host community.

(Sourced from <http://allafrica.com>)

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