

---

## Scandinavian machinery supplier to expand its base in MEA

*Tuesday, 09 Feb, 2010*

A senior official of a Scandinavian machinery supplier for piling works has said that Saudi Arabia and the UAE will continue to remain the hub of construction sector in the region and lead the economy into recovery.

Mr Miika Eskelinen director of sales of Junttan said that the company is actively looking for dealers to expand its base in the region. We are first looking at Saudi Arabia and the UAE, which will be the leaders in the region and lead the recovery. We will base our hub here and then expand into the region. The firm has been operating in the region for the past 2 years. He added that currently the market situation in the region is better than the rest of the world.

Mr Eskelinen said that Abu Dhabi appears to be moving on. Saudi Arabia is doing well. We are having some business in Kuwait. Qatar and Bahrain are also doing well. We have a new dealer in Iran and we have some deals going on in Iraq as well. Although Dubai at the moment is slow, it would soon pick up.

Mr Eskelinen also said that new enquiries are coming through but it is taking too long for deals to get finalized.

He said that "On the other hand, globally, things are moving strongly in South East Asia and Brazil. 2008 was a record year for us with more than 70 rigs being sold across the world. Each rig costs anywhere between EUR 800,000 and EUR 1.3 million. Our turnover last year was about 45% down. We managed to sell only 37 rigs. The biggest hit for us was the Russian market. Everything stopped in October 2008, when the oil price went down and the interest rates went sky high. Then came the bank crisis in the US and that affected the business as well."

He added that in Europe we are still struggling in certain areas. But Scandinavian governments have put a lot of money into infrastructure building and therefore our customers have been able to survive the bad times. Netherlands has been really strong with the country putting a lot of emphasis on infrastructure building.

Mr Eskelinen said that nothing big is happening in UK, which has taken a big hit. But at the same time certain markets are growing such as South East Asia, India, Vietnam, Singapore, Malaysia and South America.

(Sourced from Emirates Business)

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