
Safal to set up coating plant near Durban in SA

Wednesday, 25 Jul, 2007

Business Day reported that Mauritius based Safal Investments, which owns steel coating facilities in eastern and southern Africa, plans to build a USD 100 million plant in Cato Ridge near Durban in South Africa. It will buy steel either locally from Mittal Steel SA or import it from Japan and India and then export the finished product to other parts of Africa.

Mr Ronnie Graham CEO of Safal South Africa told Business Day that the Cato Ridge plant would produce 150,000 tons of coated steel a year in the first three to four years. He said "Strategically, it is a good area because of its proximity to the Durban port, which we believe is still the best for export and import. It is also on the main railway line between Johannesburg and Durban."

Mr Graham said the firm was still waiting for the outcome of an environmental impact assessment, which would hopefully be finalized by the end of October. Construction will begin immediately after obtaining assessment approval, and production is expected to start in the third quarter of next year. Afropop may be the company that will handle construction, but a decision has not yet been made.

He said the firm was negotiating with four black economic empowerment companies because they wanted to sell a 30% stake of the firm to an empowerment partner. He did not name the companies.

Safal's other two investments include a Safrintra steel roof company, which has factories in Cape Town, Johannesburg, Port Elizabeth and Durban and a Safrintra steel reinforcing subsidiary.

For more news visit at www.steelguru.com