
Middle East demand to cushion Kinsteel from slow down

Wednesday, 08 Oct, 2008

The News reported that Malaysian steel maker Kinsteel Bhd expects the construction boom in the Middle East to cushion the impact of lower domestic and regional demand for its steel products caused by the current sluggish economic environment.

Mr Tan Sri Pheng Yin Huah MD of Kinsteel said that Kinsteel's semi finished steel products were in high demand in the Middle East even during the Ramadhan period.

Mr Pheng said that "The construction boom in the Middle East is a boon for us. We do not see an impact in the demand for our steel products from the Middle East market amid the recent financial crisis. We expect demand to pick up again after the Hari Raya Aidilfitri celebration."

Mr Pheng said that "Going forward, our strategy is to focus on improving the utilization rate of our products and stepping up marketing efforts overseas. He said that venturing into the overseas markets is part of our long term plan to market our full range of products in the global market adding that the immediate targeted markets were the Middle East and Europe.

He said that Kinsteel had been upgrading its section mills to produce Imperial, Australian and European sizes. He added that the ability to manufacture the various sizes has enabled Kinsteel to expand its market share abroad.

Currently Kinsteel has more than 300 dealers locally and regionally. Its other export markets include Singapore, Taiwan, Vietnam and Indonesia. With a total of 12 plants in Malaysia, Kinsteel manufactures 15 types of long steel products and has an annual production of 2 million tonnes to cater mainly for the domestic market. For the H1 of the year overseas sales contributed 40% to Kinsteel's total revenue. Of the figure half was from the Middle Eastern market. Kinsteel exports its semi finished product namely billets, beam-blanks and blooms which are mainly used in the construction industry to the Middle East.

For more news visit at www.steelguru.com