

---

## **SKW Cored wire production in Mexico inaugurated**

*Tuesday, 21 Oct, 2008*

Metallurgie Holding AG has consistently continued the group's global expansion in high growth emerging nations by starting cored wire production in Mexico. The new plant is located in the harbor town of Manzanillo in the state of Colima, and will initially supply cored wire for Mexican steel producers.

After starting production in Q3 as scheduled, the new plant of the SKW Metallurgie Group was formally inaugurated on October 14th 2008. In business year 2008, as a result of the start-up phase, revenues of approximately USD 1 million have been forecast; however, in 2009 revenues are already forecast to total several million USD.

The new cored wire facility is characterized by a sound cost structure and good logistics thanks to its direct proximity to the harbor. In addition, the new location offers the opportunity to upscale capacity within the shortest timeframe, and is therefore ideally positioned to profit from the significant growth in the Latin American steel industry. SKW Metallurgie has succeeded in setting up the facility with a very low investment volume in the low single digit million euro range.

Mr Ines Kolmsee, CEO of SKW Metallurgie's said that "Our new plant in Mexico enables SKW Metallurgie to profit from the fast growing steel market in Latin America with a manageable investment amount. We are thus consistently pursuing our expansion strategy additional steps in other high growth regions will follow in the near future."

Further expansion in BRIC nations continues on schedule By far the most important customer industry for SKW Metallurgie, the steel sector, continues to grow in terms of quantity according to estimates by the World Steel association. Despite regional variation, growth above GDP growth is expected for 2009. Demand for steel in the BRIC states of Brazil, Russia, India and China is to continue to grow, from which effect SKW Metallurgie will benefit.

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