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## **Mechel closes in on Inprom stake**

*Tuesday, 03 Mar, 2009*

Metalinfo quoted sources close to the talks as telling MB that Mechel is close to buying a majority stake in distribution and service centre company Inprom.

Sources said Mr Igor Zyuzin's Mechel is planning the move to take advantage of the downstream expertise of Inprom in long products.

The Russian summer season traditionally brings a surge of demand for construction material such as cages, mesh and processed rebar as the warmer weather is more suited to building work.

MB reported in January that several large Russian steelmakers were looking to take stakes in some of the country's independent distributors and service centre companies.

One market source said "They are looking at the Russian domestic market for channels to embrace the market and possibilities to acquire. They explained...that they will see difficulties in sales in 2009."

Inprom suspended the construction of new service centers in 2009 due to poor economic conditions. The company has a throughput capacity of around 1 million tonnes per year.

(Sourced from Metalinfo)

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