
Spanish tube makers see no signs of demand recovery

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Reuters quoted executives from two Spanish companies as saying that Spanish steel tube makers have yet to perceive any signs of renewed order activity, dampening recent hopes for a recovery.

Both companies specialize in seamless tubes and rely heavily on the oil sector, where investments have slowed and orders have been cancelled or delayed due to the oil price decline and the global economic crisis.

Mr Luis Pomposo Gaztelu financial director of Tubos Reunidos said that "We do not like to talk about green shoots because the truth is we do not see very many. Sector demand was down 50% in February, something we thought would have been impossible, and now it's down between 50% and 60%."

Mr Guillermo Ruiz Longarte MD of Tubacex said that there are no signs of fresh demand to replace orders that will be delivered in September. He added that "The second quarter will be difficult and to talk about the second half would be completely adventurous for us right now. Until we see our order book going up, there aren't green shoots or black shoots or shoots of any color.

Both companies posted heavy declines in sales and earnings in the first quarter and announced plans to lay off staff. Their stock price has fallen about 60% over the past year, but more recently has tracked oil prices higher.

(Sourced from www.reuters.com)

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