

## Bekaert and Ansteel open steel cord production plant in Chongqing, China

Belgium's Bekaert and Ansteel, a global steel producer that is a leading producer in China, officially opened a new production plant for steel cord products in Chongqing, China.

Ansteel and Bekaert entered into a strategic partnership in May 2008 and subsequently set up a 50/50 joint venture named Bekaert Ansteel Tire Cord (Chongqing) Co., Ltd., a press release said. It noted that the project, which saw the



At the official opening of the new Chongqing plant are, from l-r: Liu Weidong, vice director, CQ Economic Committee; Baron Buysse, chairman of Bekaert; Huang Qifan, executive vice mayor of Chongqing; Zhang Xiaogang, chairman of Ansteel; Ms. Laruelle, federal minister (Belgium); and Zhou Shaozheng, P.S. of Shuangqiao District.

construction of the steel cord plant in Chongqing, represented an investment of about US\$200 million, the work being done in phases.

Chongqing, the release said, is rapidly transforming into a new automobile metropolis. "With the joint venture plant, Ansteel and Bekaert are responding to the rising local demand for steel cord products for tire reinforcement," it said, adding that the plant currently retains 130 employees and will further grow in line with market demand.

Those in attendance at the official ribbon cutting ceremony included Tong Xiaoping, vice mayor of Chongqing, Zhang Xiaogang, chairman of Ansteel, and Baron Buysse, chairman of Bekaert.

"This new plant is a first step in our strategic partnership, and will open up new markets for Ansteel in partnership with Bekaert," Zhang said. "I am confident that our partnership, that brings together the operational excellence and leadership position of both companies, will support China's industrial growth."

"The Bekaert Ansteel joint venture here in Chongqing demonstrates our commitment to support the westward development objectives and actions of the Chinese Government, and further strengthens our position in China," Buysse said.

The Anshan Iron and Steel Group Corporation ([www.ansteelgroup.com](http://www.ansteelgroup.com)) was established in 1916 and has its headquarters in Anshan, Liaoning Province. It produces and sells steel products such as hot-rolled and cold-rolled sheet, galvanized steel sheet, color coating plates, silicon steel, wire rod and seamless steel pipes. These products are used in the automotive, construction and shipbuilding industries, in electrical appliances and in railroad construction and pipelines. Ansteel reports that in 2008 it produced more than 16 million metric tons of iron, over 16 million metric tons of steel and over 14 million metric tons of rolled steel.

"The company's goal is to be ranked in the Global 500 Forum by 2010 and become one of the most international and competitive steel companies," a press release said.

## Ramsarup Group opens new India plant

In February, India's Ramsarup Group held the official opening of a new single-line Low Relaxed Prestressed Concrete (LRPC) steel wire plant in Durgapur, India, which is in the northeast section of the country and is considered a primary steel-producing center.

The company notes it represents the first facility dedicated to production of LRPC wire in the country. The steel wire is to be used for a range of infrastructure projects. It reports that capacity is 30,000 metric tons of wire a year, which increases the group's overall capacity to 300,000 metric tons (black and galvanized) of wire.

Below, Ramsarup Group Chairman Ashish Jhunjunwala discusses his outlook for this venture as well as the company with *WJI*.

*WJI: How does your company view this investment given the state of the world economy and that many companies are choosing to focus almost entirely on cutting their costs and investments?*

**Jhunjunwala:** Our focus is mainly on the domestic markets which is still, if I may say so, "reasonably okay." India will be spending approximately \$500 billion towards infrastructure development in the next five years. This will include major developments of roads, rail tracks, ports, airports, metro rails, mono rails, etc. LRPC strands and single line LRPC has substantial use in all these projects. It is important to note that although India is producing approximately 1.6 million mt per year of wire, production of LRPC wire is hardly 100,000 mt per annum. Hence, we find suffi-

cient space for ourselves, even given the current state of the world economy.

*WJI: Do you believe that India's economy will be better able to withstand the current conditions?*

**Jhunjhunwala:** While I do not believe that the Indian economy is decoupled from the rest of the world, only approximately 17% of India's GDP is dependent on exports. With massive internal consumption and positive growth in GDP (approximately 5%), India is in a much better position to withstand the current global turmoil.



Ramsarup Group  
Chairman Ashish  
Jhunjhunwala.

*WJI: Will you be able to operate your new plant at an efficiency rate that is cost-effective? To what degree will its production be for domestic consumption versus exports?*

**Jhunjhunwala:** As mentioned above, our production will be largely dependent on our own consumption, and with expected fairly large expenditure by the Indian government towards infrastructure growth, we will be able to run our plant at an efficient capacity. However, we will be not ignoring exports and are making full efforts to get our quality approved in the European Union, including certification of homologation and voluntary mark. We have already had inspection carried out by some of the authorities of the European Union. Moreover, we have also made some shipment to the Middle East and our quality has been approved by them. We want to be ready with all approvals so that once the situation improves in the West, we will be able to market our product.

*WJI: How do you view your latest investment?*

**Jhunjhunwala:** We are extremely bullish about the long-term prospects of our investment. The Indian story is very much intact due to our world-class facilities, quality product, low cost, wide range of production, customer focused approach and experience in the wire line. We are very confident that the above investment will be very profitable. ■

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**Ashish Jhunjhunwala**

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