

Marcegaglia says strip prices could firm in Q4

DÜSSELDORF — Antonio Marcegaglia believes that the softening strip products markets are not in for a sharp downturn, and that prices may even firm again in the fourth quarter.

Speaking about both the strip product markets internationally, but especially in Europe, on the sidelines of MB's 2nd Steel Tube and Pipe Conference in Düsseldorf, the ceo of the Italian tubemaker said the market's weakening should be viewed in the light of inventory adjustments.

"Real demand is still pretty strong," he told MB. "Imports have been coming in and some are still to arrive, but that's because of decisions based on conditions at the start of this year, when the market was clearly set to grow. I expect imports to tail off. These imports have created uncertainty in the market, but prices are coming off a very high peak and EU mills are not talking about reducing prices for the third quarter. I am still optimistic about the fundamentals, and think we could see a small recovery in the fourth quarter."

Marcegaglia earlier told European tubemaking delegates to regard China as the greatest threat to their business of all the major exporters to Europe.

He said he does not think Turkey's position in Europe will grow significantly, though it might improve in northern Europe.

Marcegaglia looks for expansion possibilities in India and China

DÜSSELDORF — Marcegaglia, the Italian coil re-roller and tube maker, is exploring ways to expand overseas production and processing facilities in India and China.

"We want to make a major investment and to focus on the high-end sector, as we're doing in Poland," said ceo Antonio Marcegaglia on the sidelines of MB's 2nd Steel Tube & Pipe Conference in Düsseldorf.

Marcegaglia could not give further details, but did explain the three phases of investment that the group is planning at Klukzbork in southwest Poland, which will become its second largest plant in Europe. It has bought 500,000 sq metres of land, of which 200,000-210,000 will eventually be covered.