

## Iron and steel

Europe & Middle East

**Commission** First Chinese project for firm to cost \$233 million

# Italy's Marcegaglia plans first Chinese tube mill within year

**LONDON**  
**BY BOB HARTLEY**

Marcegaglia plans to commission its €150 million (\$233 million) Chinese tube plant in around twelve months, ceo Antonio Marcegaglia told MB.

The Italian company signed a deal on Wednesday to build a tube mill in Yangzhou, which is set to produce 350,000 tpy of stainless and carbon precision and cold drawn tubes. It is Marcegaglia's first plant in China.

"There is a growing demand in China for high-end products and [our plant] will supply the hydraulic cylinder and automotive industry," said Marcegaglia. "We have been looking at the project for a few months and have now decided to do it."

Marcegaglia will proceed with purchasing land for the project and construction will begin in three to four months.

The facility is expected to employ 650 people.

"We will buy in hot band and turn it into tube," said Marcegaglia. "We have good relations with a number of different Chinese steelmakers."

"The new investment further strengthens Marcegaglia's presence outside Italy, with current operations in Brazil, the USA, Great Britain and Poland," the company said in a statement.

Meanwhile, Marcegaglia is also considering the construction of a 1 million tpy plate rolling mill in the European Union as part of its ambitious expansion plans, said

Antonio Marcegaglia.

The ceo said the proposal for a new European plate re-roller was still in its early stages and nothing has been finalised.

The company said in 2006 that it was planning €1 billion of investment over a four-year period to double output to 8 million tpy by 2010.

Some of the plate could potentially be used to feed new Marcegaglia facilities under construction in Poland.

Strong demand for heavy plate in Europe has created a strong selling environment, mostly for Italian re-rollers.

Marcegaglia Group's global operations include 50 companies, 6,500 employees, 250 sales offices and 47 production plants.