

## **Ferrostaal 's US trading unit talks with potential partners**

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MAN Ferrostaal's newly created steel trading and distribution unit in the USA, **Ferrostaal Metals Group Inc.**, is in "detailed talks" with at least three groups about possible partnership agreements, according to company executives.

Agreements are expected to be completed by year-end or sooner, and should boost sales to around \$5bn from around \$2bn currently, Uwe Schmidt, the company's newly appointed chairman and CEO, told reporters at the Ilafa congress in Chile. He declined to name the groups involved in the discussions.

The partnerships are also expected to result in MAN Ferrostaal becoming a minority shareholder in the business, which is currently fully owned by the German-based company.

In addition, the new group wants to focus more on steel marketing distribution services. "We would like to take the lead in global consolidation (in steel trading and distribution). We are willing to take a much smaller position in a much larger company," said Schmidt.

The new group has 28 offices globally but continues to be especially active in steel trading and distribution in Europe and the Americas. The company has about 12% of the freely traded US steel market (not including direct mill business), and maintains a steel trading joint venture in Brazil. The company wants to boost its US market share to around 20%. Future plans also call for setting up ventures in the Asia-Pacific region.

MAN Ferrostaal AG, based in Essen, Germany, spun off its steel trading and distribution business in October, as reported by Steel Business Briefing.

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