Industry

Steelmaker moves from strength to strength

Lisco has plans to develop its steel mills to cope with rising demand.

INDUSTRY LISCO PROFITS FROM RISING DEMAND AT HOME AND ABROAD AND SEEKS PARTNERS WITH TECHNOLOGICAL KNOW-HOW TO HELP IT UPGRADE ITS FACILITIES

INCREASED demand for reinforced steel in the domestic market and higher prices for steel worldwide helped to boost the profits of the Libyan Iron and Steel Company (Lisco) to more than 100 million Libyan dollars (US$80.5 million) last year. Liscoâ€™s bottom line has risen steadily in recent years and there are plans for expansion.

Production of long and flat products reached a new high of 920,000 tons in 2004, compared to 835,000 tons in 2003. The 18% increase was mainly concentrated on output of reinforced steel for use within Libyaâ€”a 40,000-ton rise to 460,000 tons.

Nevertheless, most of Liscoâ€™s production is exported; last year 880,000 tons of both final products and semi-finished products were sold abroad, with hot-briquetted iron (HBI) accounting for 54% of total exports. Liscoâ€™s main clients are Mediterranean countries such as Egypt, Tunisia, Spain, and Italy.

â€œAs the countryâ€™s economic policy changes, things are improvingâ€”especially concerning our dealings in the internatio markets, for both exports and imports,â€• says Mohamed Elmabruk, Liscoâ€™s Chairman. â€œToday there is no limitation on exports, and the value of the currency is stable, which has allowed us to make a profit; prior to that we experienced some losses.â€•

He says the companyâ€™s target market is growing. â€œSince the sanctions were lifted, we have been exporting to the Unite States.â€•

MOHAMED A. ELMABRUK Chairman of the Libyan Iron and Steel Company

Lisco was built up over a period of ten years following the Libyan revolution. It now ranks third among the largest Arab companies producing and exporting iron and steel products.

Located near the port of Misurata, and occupying an area of 1,200 hectares, Liscoâ€™s facilities comprise a direct reduction plant, two steel melt shops, a three-line bar and rod mill, a light and medium section mill, a hot strip mill and a cold strip mill with a galvanizing line, and a coating line.

The company employs 6,770 people, 98% of whom are Libyans, and has its own training center. Production is environmentally friendly, through the use of gas rather than coal. Raw materials are imported from Brazil, Canada, Sweden, and Bahrain.

Lisco is expanding and upgrading its facilities. Last year it signed a contract to develop one of the two steel mills with an Italian company; the project will be partially financed by a loan from the Islamic Bank for Development.

Eventually, both mills will be developed, raising production capacity to 2.5 million tons of liquid steel per year.

The company is on the governmentâ€™s list for privatization, but according to Dr. Elmabruk, nothing is likely to happen any time soon. â€œLisco, due to its size, will not be a privatization priority,â€• he says.

In the meantime, the company is looking for partners and investors. â€œThere are many opportunities for American and other foreign investors with regard to the replacement and upgrading of our plants. Overall, we are looking for investments in technological know-how,â€• concludes Dr. Elmabruk

source : New York Times