

The new Mahler bright-annealing furnace in operation at NSTM.

UAS dedicated to se stainless steel tubes

UAS SA, formerly a division of Sepco SA, has gained a firm footing in the international stainless steel market after less than one year of business. Established in June 2004 through a reorganisation of the Allied Steel Group, supported by NSTM, UAS has increased its presence in the international markets and broadened its product range. UAS is looking forward to investing in a successful 2005. Stainless Steel World went to Milan, Italy, to meet Mr Roberto Segale, Chief Executive Officer of UAS SA, and his colleagues, Mr Ferdinando Salsi, Sales & Marketing Manager, and Mr Yuriy Atanasov, Director of UVIS Ltd, majority owner of NSTM in Ukraine, and find out more about this growing company.

By Sarah Thompson and Michael van Wijngaarden

UAS SA is a marketing, distribution and export sales organisation with its headquarters in Lugano, Switzerland. At the company's offices in Milan, Italy, Mr Segale was happy to explain about the recent developments within UAS and the Nikopol Stainless Tube Mill (NSTM) in the Ukraine. "The NSTM wanted to become more

involved in the international export activities." Mr Segale started. "Therefore, NSTM through UAS will be focussing more and more on Western Europe, America and also Asia. In order to realise this new focus, we felt it was necessary to make a clear divide within the Allied group between carbon steel and stainless steel products.



In the Quality Control Department at NSTM, staff ensure all the seamless stainless steel tubes meet the highest international standards.

seamless and pipes

As a result, Sepco was split into two companies, Sepco SA, marketing, distribution and export sales organisation of carbon steel tube and pipe and UAS SA, marketing, distribution and export sales organisation for seamless stainless steel tube and pipe." Mr Segale continued. "We are now able to concentrate solely on stainless steel pipes and tubes and exporting to other parts of the world."

Such a grand-scale reorganisation has resulted in a number of big changes for Mr Segale and his colleagues. Mr Segale detailed the changes that UAS has been through over the past year: "We are very happy with the way the changeover went. We feel we have managed to find a good, firm footing in the market from where our company has the opportunity to blossom. Of course our customers from Sepco have remained with us throughout the reorganisation and we can now concentrate solely on stainless steel. Even in just one year, we have expanded our customer base enough to warrant expansion of our sales team in Milan." Mr Segale continued:

"Initially, we gathered together the experienced personnel from Sepco who dealt with stainless steel products and brought them together within UAS. However, we are in the motions of hiring additional sales staff in order to cope with the increasing importance of our company in the international markets. This is all due to the success of the past year. In addition, we now also have the added advantage of a technical consultant, Mr Filippo Perrone, who has long-standing experience in stainless steel tubes. Mr Perrone's role is to provide technical support to both our NSTM colleagues at the production facilities and to our customers. He has become a very valuable member of the team."

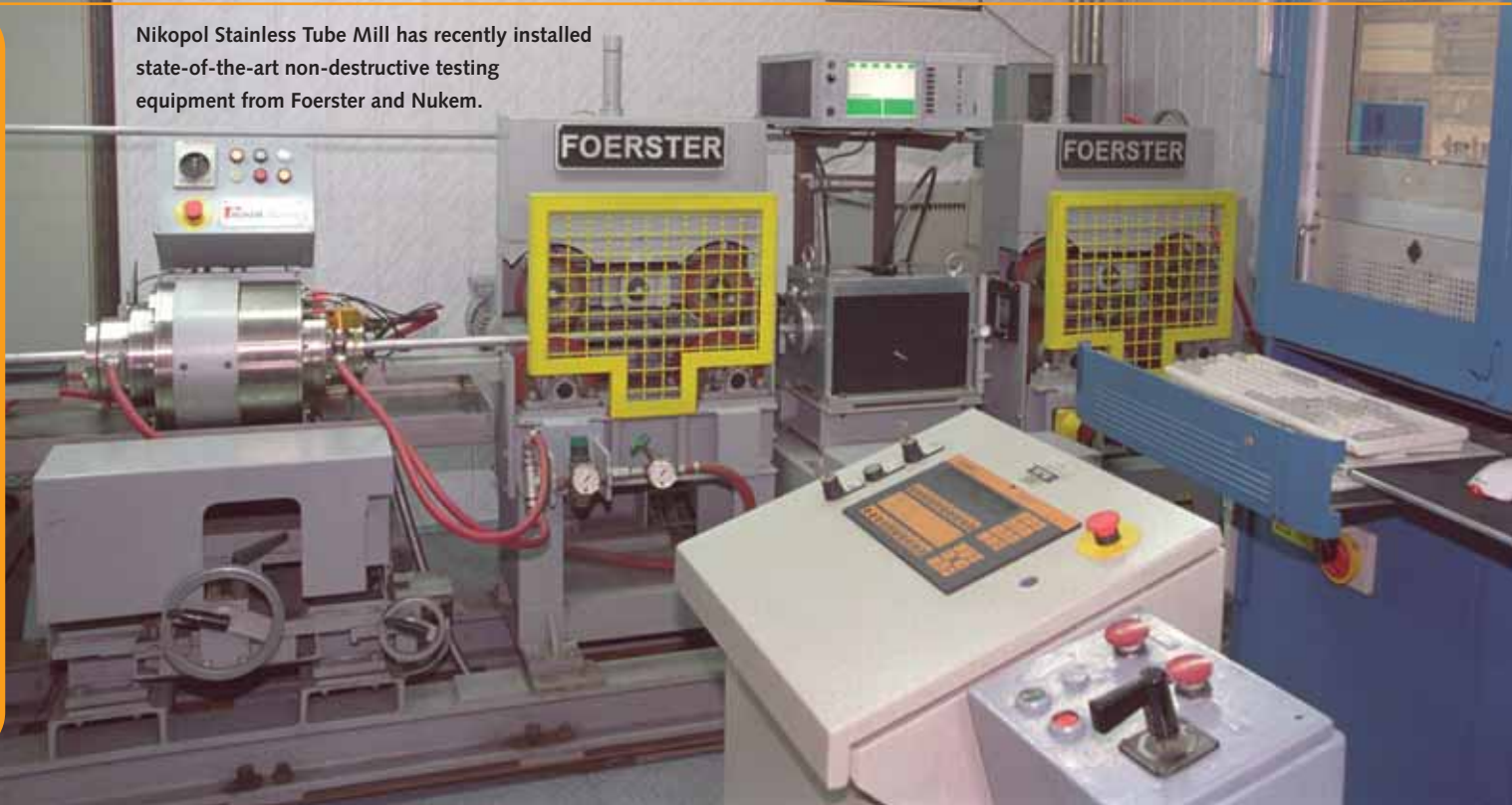
EXPAND

In addition to the extra assets in the personnel department, UAS is also in the process of bringing about exciting developments with regards to the company's geographical location. Mr Salsi explains: "On top of new colleagues, one of the most exciting developments for 2005 will be the opening of our own, fully-owned subsidiary in Houston, USA. This new subsidiary is called UAS America Inc. We have been looking to make our mark on the American market for sometime now, and we are very pleased to be able to do so. The official opening was in January this year and we are hoping it will open a number of doors to us in the future. The company will be run by Mr Ken Miller in Houston who will be responsible for sales in USA and Canada, and guided by us here in Europe." Mr Segale added: "Logically, we used the contacts established by Sepco as a springboard for this new venture and we are pleased to be getting a positive reaction from the market." New developments like the opening of UAS America in Houston confirm the company's goal to 'think globally'. Mr Segale: "Not only are we setting up new subsidiaries but we are also looking to extend our global reach in the form of agents or representatives. The UAS network is extensive, reaching from its headquarters in Switzerland and the Italian subsidiary in Milan, Italy, to agents in the UK, France, Germany, Argentina and even as far away as Pakistan. We are now looking for more opportunities which for the moment we think will be concentrated in Asia and the Far East."



Stainless steel billets being machined ready for extrusion.

Nikopol Stainless Tube Mill has recently installed state-of-the-art non-destructive testing equipment from Foerster and Nukem.



DIVERSIFY

It has not been changes in UAS' commercial side alone that have helped shape the company. Investments in technical expertise, technological advancements and refurbishments accomplished by the Nikopol Stainless Tube Mill in the Ukraine, have also brought about significant developments. Mr Yuriy Atanasov, Director of UVIS Ltd, explained: "We are dedicated to improving the efficiency and productivity of the production process. In the past year we have repaired and modernised a large proportion of the equipment in the mill and more, very important improvements are in the pipeline. We are currently engaged in setting up the product flow in the pipe-drawing shop for production of high-quality 24-meter long pipes for example, and a Mahler bright-annealing furnace is already operating. Within the next two years we plan to buy more of the necessary equipment to complete this line including a cold-rolling mill, a unit for high-quality cleaning of pipes and additional non-destructive testing facilities. The pipe-straightening mill from Bronx (UK) has just

recently come into operation and we hope to acquire a Loeser grinding machine from Germany in the very near future." Mr Atanasov continued: "Between now and 2007 we plan to replace six old cold-rolling mills by modern close-type units and to update the rolling mills and the draw benches. We are also considering the possibility of purchasing pipe-bending and heat-treatment equipment for the manufacture of U-bent pipes. The estimated cost of the technical development project for NSTM in 2004-2008 will most likely exceed USD20 million."

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Facts & Figures

Company name:	UAS SA
Headquarters:	Lugano, Switzerland
Branches:	Houston, USA, Milan, Italy
Production facilities:	Nikopol Stainless Tube Mill 'NSTM' (UVIS GROUP) and 'Nikopol Tube Company' (NTC), Ukraine
Agents worldwide:	Argentina, Germany, Pakistan, Spain, UK
Markets:	Oil & Gas, Petrochemical, Nuclear, Energy, Pharmaceutical and Mechanical industries
Product range:	5 mm up to 325 mm seamless stainless steel tubes and pipes
Grades:	All Austenitic grades, Duplex and ferritic grades
Annual turnover:	Euro 25 Million abt.



Part of the hot extrusion line at the Nikopol Stainless Tube Mill in the Ukraine.

unavoidable. Mr Segale: "We are now able to provide more than just hot and cold finishes. We have extended our product range to include tubes for instrumentation with tight tolerances and electro-polished tubes. We can offer pipes suitable for the nuclear industry, and we hope to introduce hollow bars into our product range." Just recently, UAS, with the support of UVIS, has also acquired the Distribution Agreement of N.T.C. (Nikopol Tube Company) which will enable it to provide its customers with tubes with larger OD's in stainless steel up to 325 mm. Mr Segale: "This will put us in a privileged position in the market. We will then be able to complement NSTM's product range and become one of the few in the world able to distribute piping and tubing from 5 mm up to 325 mm."

CUSTOMER SERVICE

It can be seen that the UAS product range is expanding rapidly. The use of new equipment at the mill and the engagement of its own technical consultant all ensure UAS' customers of quality stainless steel products. Consequently, the UAS team has grown and UAS are now taking a good look at other important issues like lead times and aftersales service. Mr Segale: "We are very happy with the results of NSTM's investments in the production facilities. The production process has been streamlined and quality standards, production and efficiency are even higher than they were before. Lead

times are down and our customers are very happy with the speed at which we can supply them with their products."

UAS has also taken the time to think about its approach to service. Mr Salsi explains: "We are now even keener to meet our customers face to face and are developing more and more relationships with new UAS representatives throughout the world to strengthen our global position. Our technical consultant, Mr Perrone is responsible for ensuring that any technical hiccups that may crop up are dealt with quickly and thoroughly as an integral part of our aftersales service. On top of his role as technical consultant, Mr Perrone also acts as a quality controller in collaboration with customers as well as with NTSM's own quality department. Mr Segale: "Together they ensure that all our products are made to meet international standards and the quality needs of our customers. We are very much aware of the importance quality plays in the critical applications our products have to endure, and we do all we can to keep the standards high."

UAS is a growing company where a number of key issues play key roles in the company strategy. The first being excellent quality, the second, fast lead times. Then comes good service and last but not least, price. Mr Segale: "We are trying to consolidate our position in the stainless steel market whilst at the same time, actively increasing our presence in new markets and new geographical locations. So far this has been a good strategy for our company. All of these improvements in quality, size range, cosmetics both for hot and cold finishes, bright annealing and hollow bars should open up doors to us that have been closed until now. We are looking forward to an even stronger foothold as one company: UAS, with one activity: seamless stainless steel tubes and pipes and one hundred per cent dedication. ■

Nikopol Stainless Tube Mill

Nikopol Stainless Tube Mill (NSTM) is the production enterprise established when the Nikopol Juzhnotrubny Plant was re-structured by the Government in 2000. NSTM's first delivery to Western Europe was four years ago and since then it has become a successful and recognised supplier of seamless stainless pipes. In 2000, the Dnepropetrovsk metal company, UVIS, initiated the privatisation of the stainless pipes facility which led to it becoming the main shareholder of the Closed Joint-Stock Company Nikopol Stainless Tube Mill in the same year. This new enterprise comprises the hot-extrusion and cold-drawing shops of the former Nikopol Juzhnotrubny Plant. Today, the plant manufactures almost one thousand standard sizes of pipe, from more than sixty domestic and foreign grades of steel. Products are manufactured to meet ASTM, DIN, NF, UNI, GOST and TU standards.